

S332.1

Y086u

Young Geo. R.

ON

COLONIAL BANKING,

EXCHANGES,

AND CURRENCY

332.1
4086 m

UPON THE

HISTORY, PRINCIPLES, AND PROSPECTS

OF THE

BANK OF BRITISH NORTH AMERICA,

AND OF THE

COLONIAL BANK;

WITH

AN ENQUIRY INTO COLONIAL EXCHANGES,

AND THE

EXPEDIENCY OF INTRODUCING "BRITISH STERLING AND BRITISH
COIN" IN PREFERENCE TO THE "DOLLAR,"

AS

THE MONEY OF ACCOUNT AND CURRENCY, OF THE NORTH
AMERICAN COLONIES.

BY

GEORGE R. YOUNG, ESQ.,

OF HALIFAX, NOVA SCOTIA.
AUTHOR OF LETTERS TO LORD STANLEY UPON THE "RIGHTS OF FISHERY," &c.

LONDON:

WM. S. ORR AND CO., AMEN CORNER, PATERNOSTER ROW;
PELHAM RICHARDSON, CORNHILL; AND J. RIDGWAY, PICCADILLY.

1838.

THOMS, PRINTER, 12, WARWICK SQUARE.

31021701083
309102-7MA2

TO THE DIRECTORS
OF THE
BANK OF BRITISH NORTH AMERICA.

GENTLEMEN,—

THERE is no body in this Country to whom I can so becomingly address the following pages upon the Currency of the Colonies of British North America as yourselves.

As the Managers of a great Monetary Concern, whose relations and transactions embrace all of these Dependencies, and extend the circle of exchange from them to the United States and to Great Britain, it is obvious, that you, and the constituency you represent, have a deep interest in the right settlement of this question. The introduction of a "*sound*" currency will equally promote the interest of the Colonies and of the Bank. My original motive in entering upon an inquiry so laborious and involved was to accomplish this object; and I have been induced to publish, that discussion may be provoked, and the two opinions which are entertained upon the question, and which are referred to in the title-page, pass through that ordeal which conducts to truth.

I have preceded the inquiry with a history of the principles and prospects of the Bank over which you preside, and of the "Colonial Bank," to induce those interested in their stock to take an interest in the graver and less attractive inquiry with which these are blended. In advocating the introduction of British sterling as the "money of

account" into the Colonies, based upon the coin of the Mother Country, and guarded by the same law of tender which prevails here, I think it due to you, and to myself, to state, that my conviction in the soundness of my conclusions has been shaken ever since I became aware that I had failed to convince you, and especially my friend Mr. Carter, for whose knowledge and practical judgment upon the question I have so high an opinion, of their being correct. Knowing, at an early period, that both you and some of the Directors of the Colonial Bank were in favour of the dollar as a "standard," I have since subjected my own previous opinions to severer scrutiny. I would have been glad, could I have brought my mind to subscribe to your views; but my predilection, or prejudice, in favour of the "sovereign" being still unaltered, although not so decided as before, I submit to you, and my fellow Colonists, the premises upon which my opinions are founded, that they may decide the question. I am anxious only to introduce a safe currency, and, if convinced that I am now in error, I would at once retreat from these opinions, and respectfully acknowledge the sagacity of others.

I have the honour to be,

Your obedient Servant,

GEORGE RENNY YOUNG.

*London, Sackville Street,
January 10th, 1838.*

CHAPTER I.

Contents.—Colonial Policy—Benefits derived by the Mother Country from the possession of her Colonies—Establishment of the Bank of British North America—Mission of Robert Carter, Esquire—General feeling in the Colonies in favour of the Bank.

THE Colonial policy of Great Britain is a feature of her Government by which she is pre-eminently distinguished over all nations, whether of ancient or modern times. Foreign settlements have been planned and founded from the earliest periods of written history, but by her the achievement has been accomplished, and the laurels it afforded won, by the establishment of Colonies in every quarter and climate of the world ; thus founding an empire, bound together by the relations which spring from politics, commerce, law, literature, and language, so wide in extent, that, to use a familiar but comprehensive illustration, "the sun never sets upon it."

Still it must be conceded that in these times of political excitement there is no branch of the general policy of the State which has excited a more angry and virulent controversy than the Colonial system. To review the general features of the argument, or to attack the positions assumed by those opposed to it, is not my purpose upon the present occasion. The scope and title of this work will secure to it, I fear, the notice only of those whose opinions are already settled in favour of the system, and who are prepared to contend that much of the national honour and pre-eminence—the past and future independence of the Parent State—are mainly attributable to, and dependent upon, her foreign possessions—the products they place under her controul—the boundless commerce they secure to her flag. Some of the more zealous of them are prepared to argue that those Dependencies enable the mother country to assume a loftier position in peace, and to occupy a far more secure situation in war. By the system of prohibitory restrictions,—which she has extended to their foreign commerce and connexions—the Colonists are exclusively preserved as customers for British manufactures, and they thus increase, each in its own sphere, that "power of consumption," to adopt the language of Huskisson, which is the main and affluent source of commercial wealth and prosperity. These advocates push the argument to this extent, that some of the

the coin of the
law of tender
and to myself,
s of my con-
ne aware that
y my friend
cal judgment
of their being
both you and
e in favour of
cted my own
d have been
ribe to your
vour of the
o decided as
ts, the pre-
t they may
troduce a
w in error,
d respect-

OUNG.

Colonies—and especially those of British North America, to which the operations of one of these Banks are confined—yield, from the Crown or territorial revenues, an ample fund to meet the expenses of their local governments; and that, in a nice balancing of accounts, it would be found, even at the present time, if their funds were judiciously husbanded, they would impose no burden upon the Imperial Treasury. To pursue these vexed and elaborate inquiries would be supererogatory here. To refer to them, however, is a becoming introduction to the question I am about to discuss, to show my own conception, at least, of its bearing and importance. I refer, in the note below,* to the works where this “grave argument” has been fully and elaborately treated, and pass to the main subject of consideration, in stating my belief that an opinion favourable to the Colonies is daily acquiring strength among the most able and “ascendant politicians” of the age, and among the great majority of the “sound and thinking portion of the people.” The Whigs and the Conservatives,—the one party who have acquired, the other who aim at, power,—seem to bury their personal rivalries, and to meet

* For full and elaborate information upon the Revenues, Statistics, Progress, and Value of these Dependencies, and upon the General Colonial Policy of the Empire as regards them, I refer to the following works :—Preface to Bouchette's *British Dominions in North America*, and the tables in that work, also chapter 15, vol. ii. ; M'Gregor's *“British America ;”* Cambreleng's *“Report to the Congress of the United States,”* 1st of February, 1830. Porter's *Tables and Marshall's Tables, Articles, “Colonies.”* On *Colonial Intercourse*, by Henry Bliss, Esq. Ridgway, 1830. On the *Timber Trade*, by the same author. Ridgway, 1831. G. R. Young's *“Letters to Lord Stanley, upon the British North American Colonies, their Rights of Fishery, and the Colonial Policy of the Empire.”* Ridgway, 1834.—Upon the *Timber and Corn Trade of the Colonies of British North America*. See chapter 9, of Montgomery Martin's *British Colonies*, vol. iii. Chapman's pamphlet upon the *Corn Trade of Canada*. Nathaniel Gould's, Esq. *“Sketch of the Trade of British America,”* published by Fisher and Jackson, 1833. Captain Basil Hall's *“Travels in America,”* vol. i., chapter 14.

Upon the question of the Boundary line between New Brunswick and the State of Maine, see Bouchette, vol. i. chapter 1. ; Bliss's pamphlet upon the *Boundary Question*; the Hon. Judge Chipman's (of St. John's, New Brunswick) most able Letters upon the same subject, under the signature of “Observer;” and for a vindication of the American claims, see Documents submitted to Congress, and an article in the *North American Review*, 1836.—Upon the “Rights of Fishery.” See Rush's *“Residence at the Court in London;”* Young's *“Letters to Lord Stanley,”* chapter i. to v., and M'Gregor's *“British America,”* vol. i., chapter 7.

merica, to which
yield, from the
the expenses of
ing of accounts,
eir funds were
upon the Impe-
inquiries would
is a becoming
s, to show my
nce. I refer,
rgument" has
ain subject of
favourable to
most able and
reat majority
e Whigs and
he other who
and to meet

tics, Progress,
Policy of the
o Bouchette's
also chapter
t to the Con-
d Marshall's
Bliss, Esq.
y, 1831. G.
rican Colo-
Ridgway,
North Ame-
iii. Chap-
ld's, Esq.
son, 1833.

and the
upon the
y Bruns.
of "Ob-
submitted
pon the
ondon;"
British

here upon neutral ground. The former have now abandoned the attempt to equalize the duties upon Colonial and Baltic timber. They are willing to give that protection to the products of the Colonies which the colonists solicit and deserve. The very introduction of the Canadian Resolutions by the present Administration, during the last Session of Parliament,—the attack they necessarily involved upon the integrity of the Colonial charter and constitution,—the triumphant majority by which they were carried in the House of Commons,—is a proof that the "intelligence" of Parliament is thoroughly convinced of the value and importance of these Colonies, and is prepared to resort to strong and coercive measures, to uphold and strengthen the ties which bind them to the Parent State. In the lower provinces of British North America, in Upper Canada, among the more enlightened portion of the subjects of Lower Canada, notwithstanding the revolutionary efforts of Papineau and his partisans, I know that there is a sincere and anxious desire to perpetuate the existing alliance to the British Crown.*

Between the inhabitants of an old, and a new country, there is a marked and singular distinction in the sources and fervour of national feeling. In the former, this sentiment is inspired by a variety of influences, all co-operating and pointing to one common end. In the mother country, for example, the attachment of the people to the state springs, among one class, from their veneration for the Church; in another, from their respect for, and connexion with, the peers and landed aristocracy; and in a third, and far more ex-

* In these remarks, which were written some months ago, I have carefully abstained from touching upon local politics. In the expediency and policy of introducing a sound currency all parties will agree. It is the general opinion that the rebellion in Canada is at an end, and that the past crisis will neither affect the domestic nor the foreign trade, even of Lower Canada, to any great extent. It may curtail and limit, for a short time, the operations of the Bank in Quebec and Montreal; but it is generally thought that in the spring and following season the trade will be pushed as vigorously as in former years. Upon the trade of the other provinces the insurrection will have *no* effect; and if the Government send out a large reinforcement of troops, the domestic trade and circulation in all of them will rather be increased. My own opinion is, therefore, that the prospects of the bank are not darkened, but, on the contrary, that by the decisive and wise measures adopted to meet this crisis, the peace and prosperity of the provinces are likely to be settled upon a more permanent and solid basis. The stock of the Bank is now, I understand, at par.

tended class, from their love of the national liberties, of her pre-eminence, the glories she has gathered, and those complex and various associations which spring from politics, law, and literature. The very collisions of party add to the ardour of loyalty and public spirit. There is a feeling of chivalry in favour of "our young and virgin Queen." The memory of the past, the associations suggested by the scenes and events of which the tablets are around the people,—the "education of circumstances" to which they are thus subjected,—all combine in producing that love of country, "that prejudice," as the cosmopolite would call it, "in favour of home," for which Britons, whether here or abroad, are so peculiarly known and distinguished. In the Colonies these influences have scarcely an existence, and, of course, they cannot operate to the same extent. They have, at least, no local habitation. To some their inspiration, which is active here, does unquestionably extend, and amongst these it is felt and appreciated in that more exquisite sense, which distance gives to things which are valued. But, amongst the mass, it may be conceded that the chief tie which binds them in close connexion with the Parent State, arises from the impression that their interest is promoted by it. This, in fact, is admitted to be the securest bond which unites the rulers and the people of the neighbouring Republic into one body politic. It is, to speak classically, "the embodied spirit," to which their political papers and speeches are addressed; and as the Colonists of North America catch some of their hues and tones of feeling from these foreign, though not distant influences to which they are thus exposed, the friends of the mother country in the Colonies have ever hailed, with unfeigned and lively satisfaction, every scheme or establishment likely to influence and perpetuate, and to draw more closely, the ties of common and binding interest.

By the great mass of the people, and indeed, except by those few whose capital was deeply embarked in Colonial banking, and who derived their incomes from speculations in loans of money, or other employments of capital, yielding interest, the projected establishment of the Bank of British North America has been regarded as likely to exercise the liveliest and most propitious influence upon the commerce and prosperity of these Colonies. Some fears were insinuated at first that it might prove one of those speculations created upon the London Stock Exchange, from which the originators, as has been before done but too frequently, reap a profit

by creating a transitory excitement; but when the Directory became known, and it was apparent that the management was to be entrusted to gentlemen of high integrity and mercantile talent, and whose relations with the Colonies were of that intimate and commercial character, which gave the surest earnest that their good faith in promoting the interests of the Colonies might be relied upon,—these fears of caution were soon dissipated, and throughout the Colonies there is now spread a tone of good feeling and of confidence towards the Directory, which has secured a cordial co-operation in such measures as they deem essential to the working and success of their plans. The liberal instructions given to their agent, Mr. Carter, in his late mission, to soften every prejudice and hostile feeling entertained by the Colonial capitalists, and to be careful to avoid any direct, far less any unfair, interference with the Local Banks, necessarily extended—from the sagacity and prudence with which these powers were exercised by him—the tone of friendly and confiding sympathies. That gentleman, in a speech delivered at a meeting of the Shareholders, held in London in June last, has spoken in the warmest language of the favourable reception which his mission received; and the state of feeling in the Colonies is more fully and satisfactorily evinced by the fact that that portion of capital reserved for them has been nearly subscribed for. In some of the Colonies the application for stock exceeded the sum set apart to them. My evidence is valuable, so far as it bears upon those Colonies with which I am best acquainted; but I have it upon good authority that there is a similar feeling of confidence and favour felt in the West Indies towards the Colonial Bank, and that the scheme has been received there in the kindest spirit.—That the institution is popular, and the agencies successful, cannot be doubted if the experience and prospects of the Bank be a standard upon which dependence may be placed.

I speak from observation and experience in stating that it is a general belief in the Colonies that the Bank of British North America has a field of operation sufficiently extensive to afford employment to its capital; and that, if its superintendence and management be controlled by a sagacious policy—by those safe and recognised principles of banking which are supported both by abstract principle and past experience, the stock will not only prove a safe investment for capital, but yield a sufficient and liberal profit. To push, however, its promised advantages to the fullest extent, it is

essential to introduce into the Colonies a currency based upon sounder principles than that which they now possess, and the main object I have in contemplation in the publication of this work, is to submit some practical views upon the introduction of a Colonial currency, and to illustrate the fortunate combination of circumstances which now concur for the adoption of a safe and uniform scheme. The operations of the Bank of British North America are not yet fully established; and it will be judicious, on the part of its friends, to consider if the introduction of a general measure would not be more propitiously effected at present, before the transactions of the bank become extensive and involved, than at some later or more distant period. The attention bestowed of late upon Colonial affairs, and the meeting of a new parliament, seem both to combine in rendering the agitation of the question more prudent now than at a subsequent time. The Minister of State for the Colonies has lately directed his attention to the subject. A gentleman of skill and experience has been judiciously appointed by Lord Glenelg to collect facts, to embody the evidence which will guide to a sound conclusion; and as different representations have been made to this Arbitrator, upon whose Report, it is probable, the measures of Government will be founded, I am anxious to place the argument in favour of the Dollar, and of British coin, before the public, that they may cast both into the balance, and give the ascendancy to that scheme which deserves it.

Being desirous, however, to convince the Stockholders in this country that the Bank of British North America promises to be a safe investment of capital, and to yield an adequate return, I shall confine the next chapter to the illustration of those data which support and vindicate these predictions; and proceed, in the third and concluding chapter, to give an exposition of the practical views I entertain upon the question of Colonial Currency. This complex inquiry has ever been perplexed and clouded by speculation and theory. Although I respect, and have endeavoured to study, the principles of political economy, which bear upon it, I have adopted them only in so far as they are sanctioned by experience; and I confess, that even now I feel disappointed that the views I suggest have not met the approval of practical men, who are familiar with the existing monetary relations of the Colonies, and the character and fluctuations of their currency. By many, however, my views are unhesitatingly supported.

CHAPTER II.

Field for Banking operations in the Colonies—Increase of trade and resources—Banking more safely conducted in the Colonies than in England—Character and principles of the Bank of British North America—Local agencies—Deposits and cash credits.

To what extent the operations of the Bank may be conducted is, I am free to admit, one of those problematical questions which depend more upon experience than upon speculation, however sagacious and refined. It is impossible to reduce it to figures. I know of no data in the statistics of other countries to which we can apply for those facts and circumstances which would justify any sweeping or *certain* conclusion from analogy. The operations of banking do not depend only upon the comparative amounts of population—the extent of trade, or the circles of foreign exchange. All these may vary in different countries,—they may contract or expand,—and yet effect no change either upon the state of the currency, or upon the demand for that species of accommodation derived from banking institutions. America and England afford no example for, and present in this respect no analogy to, each other. Every country and every community, in short, so far as banking operations are concerned, creates an atmosphere and establishes a circle of its own. They depend upon the principles of action—upon the feelings and habits of commercial men—upon the nature and extent of the local currency—upon the confidence felt in the extension of credit; and hence, in asserting that the Bank of British North America has a wide and sufficient field for the employment of its capital, we must rest rather upon the general belief of the fact, which prevails among mercantile men—those most competent to decide upon such matters—than upon deductions drawn by contrasting the position of the colonies with that of other countries. To give, however, a clear idea of their area, trade, and resources, I have extracted from official sources the following condensed and tabular view :

POPULATION.

1806	.	.	.	.	.	409,462
1825	.	.	.	.	.	873,453
1832	.	.	.	.	.	1,300,000

At the present time the population is stated at 1,500,000, and by some it is calculated at 1,750,000.*

AREA AND AGRICULTURE.

The United Areas of the Seven Provinces of New Brunswick, Nova Scotia, Cape Breton, Prince Edward Island, Newfoundland, and Upper and Lower Canada, are estimated at 255,000,000† of statute acres. Of these Bouchette, in his work, vol. ii. p. 265, calculates there are only 6,374,000 acres cultivated. He estimates the whole superficies of these provinces at, land 382,000 square statute miles, water 105,000 square statute miles, and the total average number of square miles surveyed and tracts explored 126,500. The area of the United Kingdom of Great Britain is stated at 77,000,000 of acres:—46,500,000 cultivated, 15,000,000 uncultivated, and 15,500,000 unprofitable. The colonies are equal, if not superior, both in climate and fertility of soil, and will eventually secure a home to innumerable millions of freemen—of *British* freemen, if a liberal colonial policy be persevered in.

TRADE AND RESOURCES.

Imports and Exports into and from the United Kingdom of Great Britain to the North American Colonies.

IMPORTS.		EXPORTS.		TOTAL EXPORTS.
		British Produce and Manufactures.		
1806	‡ £ 385,812	775,642	200,416	976,058
1825	1,312,911	1,829,211	387,014	2,246,223
1832	§ 1,532,512	2,669,799	366,198	3,033,997

Combined amount of Exports and Imports in 1832 to and from the United Kingdom.

Imports	.	.	.	1,532,512
Exports	.	.	.	3,033,997
Total				£4,566,509

* Marshall's Digest, 22; Blue Book's last census. "British North American Colonies," by George R. Young, p. 155, where a view is given of the comparative increase of the population in Great Britain, the United States, and in the Colonies; Bliss's Statistics.

† I take this estimate from a table drawn up by Robert Stewart, Esq., of Great Russell Street, he having kindly furnished me with a copy of it. I know of no person who has devoted more time to, or whose information upon, the statistics of these provinces is more valuable than Mr. Stewart. He has collected a most valuable Colonial Library.

‡ Blue Book.

§ Marshall's Digest, 22. British North American Colonies, 154.

The above sum is independent of the amount of freights paid to British shipping upon articles of transport.

Collective Imports and Exports into and from the North American Colonies to every country, in 1832.

Imports	.	.	.	* 3,457,720
Exports	.	.	.	2,450,889
Total				<u>£5,908,609</u>
In 1833 Imports	.	.	.	† 3,579,905
Exports	.	.	.	2,613,537
Total				<u>£6,193,442</u>

In this year the Imports into these colonies from the British West Indies were	.	.	.	.	355,310
Exports do.	.	.	.	.	434,536
Total					<u>£789,846</u>

In 1832 the total value of the Fisheries in the colonies of British North America was estimated at £1,015,839.

1834.—Official value of imports and exports into the United Kingdom from the British colonies and dependencies in British North America.

	IMPORTS.	EXPORTS.
Prince Edward's Island . . .	2,339	10,693
Newfoundland . . .	556,087	663,264
Canada . . .	1,063,643	1,018,922
New Brunswick . . .	567,719	491,301
Cape Breton . . .	10,501	22,188
Nova Scotia . . .	700,127	404,650
Total	<u>£2,900,416</u>	<u>£2,611,018</u>

Imports (in 1835)	.	.	.	1,280,361
Exports	.	.	.	3,482,718

Total—£4,763,079

This sum does not include the vast amount paid to the owners of British shipping resident in the parent state for freights upon timber and other articles of transit.

* Porter's Tables. Supplement to part III. p. 138.

† Porter's Tables. Supplement to part IV. p. 148.

In addition, however, to the extent of operation promised to the Bank from these data, there is a prospect that in a short time the resources of these rising and fruitful Dependencies will be largely increased. It is expected that the colonial fisheries will, before many years, be relieved from the depressing influence of French and American rivalry and competition. If this end were once gained, and the *fleets* of both powers restricted to those limits which the law of nations authorizes, the trade of these colonies would advance in a ratio far outstripping the progress of the past. They are most favourably situated for the prosecution both of the whale and seal fisheries, whether conducted in the North Seas or the Pacific; and as the capital and enterprise of the Lower Provinces are now being turned into these channels, it is anticipated that they will soon furnish a wider field for industry and profit. Last year a body of merchants in St. John's, New Brunswick, derived a clear profit of £10,000 from the returns of one whaling voyage. There are now eight or ten whalers sailing from that port. A company is in the progress of formation in Halifax to prosecute the same enterprise. But the main expectations of this increase are founded upon the recent discoveries which have been made in the mineral resources of the two provinces of Nova Scotia and New Brunswick. A most valuable work appeared last year from the Halifax press upon the geology and mineralogy of Nova Scotia.* The author, Dr. Gesner, is an enthusiast in the study of these two sciences. He has pursued his enquiries for a period of ten years, unaided and amid the engagements of professional practice, and has produced a work equal in many respects to a general survey. He has defined the location and beds of coal, iron, copper, lead, slate, and freestone. There is no region in the world, space for space, which has a richer field of mineral wealth, than the province of Nova Scotia. The General Mining Association, now in operation in London, give regular employment to between 400 and 500 sail of vessels in conveying coal from Cape Breton to the United States; but it is supposed that the developement of those resources has been only begun, and that, in the course of a few years, they will attract British capital and enterprise to a far larger extent. If the Americans could obtain pos-

* Some copies of this work may be had at Mr. John Snow's, publisher, 26, Paternoster Row. It has been favourably noticed in some of the Reviews in this country, and is said to be an excellent manual of the science of geology.

promised to the
a short time the
s will be largely
ries will, before
ce of French and
once gained, and
which the law of
dvance in a ratio
most favourably
l seal fisheries,
and as the capital
ng turned into
urnish a wider
merchants in
£10,000 from
y eight or ten
ne progress of
rise. But the
on the recent
sources of the
A most valu-
upon the geo-
Dr. Gesner,
ces. He has
led and amid
duced a work
s defined the
nd freestone.
a has a richer
. The Gene-
give regular
nveying coal
posed that the
and that, in
al and enter-
obtain pos-

session of them, there would be no limit to the extent of their operations, except the limits of a vast, most active, and daily increasing demand.

The table which follows is illustrative of the number of banks in the different colonies, the amount of their capital and circulation, and the returns they have yielded. I have annexed to each the era of its establishment, and in tracing up this column let the reader bear this fact in remembrance, that, in the history and experience of colonial banking, one Bank only has stopped payment. The operations of banking, in the opinion of practical men, may be conducted in the colonies upon principles equally safe, if not safer, than they can be done in the mother country, or in the broader and more fluctuating field of the United States. "We must keep in mind," says Mr. Horsley Palmer, in his recent pamphlet upon the affairs of the Bank of England, "that Great Britain is the centre of the whole commerce of Europe and America, if not of the world, and that any hasty or unnecessary step taken will not only affect the credit and prices of this country, but to a certain extent those of all parts of the Continent, from whence we are to obtain the bullion we have lost." But of all subjects, whether of domestic or foreign speculation, there is none so involved and dangerous—none depending, in their conception, upon such nice calculations—or, in their progress to an end, affected by so many contingencies—as those in currency. Standing as England does in this commanding and responsible position, and comprehending upon her exchange, transactions which affect and embrace every country in the world, it is clear that her currency and monetary concerns must be subjected to greater depressions and elevations, to wider expansions and more violent contractions, than if confined to the regulation of her own domestic affairs. It cannot be denied, for example, that the commercial panics, both of 1825 and of last season, were largely increased from their influence being extended both to the Continent and to America. Mr. Palmer attributes the latter in a great degree to the influence of foreign loans, and these he represents as so disastrous as to suggest a duty or tax being imposed upon the bonds by which they are secured. No excitement and no depression can be felt either in the Old or New World without extending its influence to London; and hence it has frequently happened that the domestic currency has been suddenly disarranged and disorganized by unexpected impulses, not depending upon domestic transactions, but coming from abroad. From

these the colonies are in a great measure free; they stand upon isolated spots; their sphere of action is local and comparatively insulated; and although the Colonial merchants have felt as a body the effect of these changes in England by their curtailment of the demand for, and by their lowering the price of, colonial productions, still they have never fallen upon the colonial banks, nor swept them down in the general catastrophe of commercial affairs. It is for these reasons that it is thought by many shrewd Economists the sphere for banking operations is more secure in these Dependencies than in the Parent State, and it is confidently believed that this security will be increased by the introduction of a better currency than exists at the present time.

BANKING INSTITUTIONS • IN THE COLONIES.

When founded.	Capital paid up.	Circulation.	Deposits.	Specie in hand.	Loans and Last amount Discounts, dividend and bonus.	Surplus Specie in hand.	Debit unpaid and over due.	Date of statement.
---------------	------------------	--------------	-----------	-----------------	--	-------------------------	----------------------------	--------------------

they stand upon
Comparatively in-
elt as a body the
ent of the de-
roductions, still
r swept them
It is for these
the sphere for
cies than in the
is security will
y than exists

BANKING INSTITUTIONS • IN THE COLONIES.

When founded.	Capital paid up.	Circulation.	Deposits.	Specie in hand.	Loans and Discounts.	Last amount bonus.	Surplus Specie in hand.	Debts unpaid and over due.	Date of statement.
<i>Lower Canada.</i>									
Bank of Montreal—Branch at Quebec	£. 250,000	£. 194,039	£. 266,997	£. 119,766	£630,950	14 per cent.	£. 27,249	£. 2,779	16 May, 1836.
City Bank, do. 2 agencies.	200,000	85,000	29,894	20,185	278,308	7 do.	5,320	1,514	15 do. do.
Banque du peuple, is a Societe en commende.	No statements published.								
Commercial Bank, do. Mills & Co.	A private partnership.								
St. Hyacinthe Bank	1837 A Societe en commende, do.								
Quebec Bank	1821	75,000	59,384	44,554	12,844	None since 1833	12,285	18,000	5 Nov. 1835.
<i>Upper Canada.</i>									
Bank of Upper Canada, Toronto, and 12 branches and agencies	1819	200,000	226,654	157,620	63,796	413,976 Average 10 per cent.	11,073	56,355	16 Nov. 1836.
Farmers' Bank, do. 4 do.	No statements published.								
People's Bank, do.	No statements published.								
Agricultural Bank, do., Truscott, Green, & Co.	No statements published.								
Commercial Bank, Kingston, 16 branches and agencies	1832	186,450	175,123	33,367	46,935	331,709 10 per cent.	1,912	11,582	7 Nov. 1836.
Gore Bank, Hamilton.	1835	61,005	27,912	6,241	20,832	68,504 None.	1,053	1,324	28 do. do.
<i>Nova Scotia.</i>									
Halifax Banking Company	1825 A private partnership.								
Bank of Nova Scotia, (Charter) Province Paper.	1832	62,500	30,944	40,276	36,834	68,379 6 per cent.	1,003	416	30 Jan., 1836.
<i>New Brunswick.</i>									
Bank of N. B. St. John's.	1820	50,000	50,809	42,657	28,908	89,004 9 per cent.	555	Nil.	2 May, 1836.
Commercial do.—Branch at Miramichi.	1834	95,188	61,641	28,650	20,584	148,980 10 do.	835		8 Oct. do.
City Bank do. (Charter)	1836	50,000	No accounts published.						
Central Bank, Fredericton.	1834	15,000	37,986	13,911	16,845	37,705 9 do.	139		4 Jan. 1836.
Charlotte County Bank.	1825	15,000	No statements published.						
St. Stephen's Bank.	1836	15,000	No statements published.						
Prince Edward's Island.	No banking establishment.								
Treasury notes.	....	....	....	14,500					
Newfoundland.	No banks and no paper.								

* The extent of the banking capital, at present paid up in the North American Colonies, is rather more than 1,500,000l. currency, which sustain an average circulation of about 1,200,000l. ; the banks hold average deposits to the amount of 800,000l., the whole of which, excepting some 10,000l., is held by them without the payment of any interest whatever. The average amount of loans and discounts made by the banks to their customers, is about 2,700,000l.—*Mr. Carter's Speech, published in the London Economist, 1st of July, 1837.*

If, however, this tabular view of the resources and trade of the Colonies,—of the number of banks already in operation, and the extent of their business,—justify the opinion that the Bank of British North America has ample scope and room for the employment of its capital, this opinion will be more fully vindicated when we consider the sound and wholesome principles it will introduce, and the natural effect these will have, both in attracting customers amid the competition which now exists, and in widening the sphere and activity of Colonial enterprise and of commerce. In all the provinces there has prevailed a complaint against the banks, that they have conducted their transactions, more upon a narrow and circumscribed view of promoting their own immediate interests, than upon those comprehensive and sounder maxims which controul and sanction that liberal and prescient policy in the operations of a bank,—which looks to the increasing prosperity of the community, in which it is placed, as the best and surest source of its own profits. I am aware that an outcry or clamour of the kind alluded to, is not the safest test of truth ; and in looking, therefore, to the probable field of operation the bank is likely to command and create, I would rest, in preference, upon the wider limits its plan has opened, and the beneficial effect the principles it has adopted have had, in other, but still similar, spheres in which they have been already tried.

One of the most important results anticipated from the formation of this establishment is the introduction of a circle of exchanges, extending from the mother country to each of the Colonies, and from each of them again, sending branches or ramifications—lines of commercial communication—to all the rest. It will be a kind of “grand junction” in exchange. In addition to the ordinary business of discounts, cash credit, deposits, and the issuing of paper, it is contemplated, in following up the scheme, that each bank or branch will deal in exchange to the utmost possible limits which safety suggests, and that it will be competent for any individual, and at any time, to apply to the branch at Halifax, and purchase a set of exchange payable in New York, London, St. John, Montreal, Quebec, Toronto, or Newfoundland, at such a moderate rate of premium, as will render the transaction an accommodation to the public, and at the same time yield a profit to the bank. The branches, again, have been invested with authority to purchase such bills, as are offered for sale, whether payable in the mother country,

d trade of the
ation, and the
the Bank of
or the employ-
indicated when
will introduce,
ing customers
ing the sphere
e. In all the
st the banks,
upon a narrow
diate interests,
which controul
operations of a
e community,
ce of its own
ind alluded to,
re, to the pro-
ad and create,
its plan has
has adopted
ich they have

m the forma-
of exchanges,
Colonies, and
ions—lines of
be a kind of
rdinary busi-
ng of paper,
each bank or
limits which
y individual,
d purchase a
n, Montreal,
erate rate of
ation to the
bank. The
urchase such
her country,

in the States, or the Colonies ; and, by those conversant with exchange, it is calculated that this branch of business will be one of the most extensive, useful, and, at the same time, affluent sources of profit. From the command of capital which the bank possesses, and the superior facilities it will enjoy in replacing the extra capital withdrawn from, or supplied to, any one place, it will nearly exclude competition, and secure, in a great measure, this branch of Colonial business to itself. It is clear that no private individual can deal in exchange upon the same advantageous terms. It is a business which no bank in the Colonies has yet conducted to any large extent. There has been a succession of single and isolated transactions, conducted, according to the exigencies of a particular crisis or fluctuation in exchange, but it has not yet been tried as a uniform and general system. There exists, therefore, no standard by which we can estimate the extent to which it may be carried ; but every friend of the bank expresses confidence in its opening a wide and productive field of employment for capital.

The advantages which the bank promises will equally be felt in the purchase of bills which are offered for sale. Its circle of communication, its means of knowledge, and command of funds, will confer an equal superiority in this as in the other branches of its trade ; so that the bank will derive a profit when no private individual could attempt the speculation, with even the chance of success. It is anticipated, besides, that the circle will be expanded, so as to embrace the West India Colonies, and that, by an arrangement between this bank and the Colonial Bank* established in London, their respective branches will have authority to draw upon each other to any extent the legitimate demands of trade may require. The advantage of the system to the Colonies themselves,—the beneficial influence and facilities it is likely to extend to their trade and prosperity,—will be rendered more apparent when we come to treat upon the involved and intricate character of their currency as it now exists, and the different and conflicting nominal values each Legislature has given to the various coins in circulation.

* The "*Colonial Bank*" above alluded to has been established in London for the purpose of extending the operations of banking to the British and Foreign Islands in the West Indies, and of circulating in them such an amount of British capital as they may require. It is founded under the sanction of a royal charter, which passed the Privy Seal on the 31st May, 1836. Active measures were adopted

Up to this time the same principles which have obtained in the London banks, as regards deposits, have been observed in the Colonies. No interest has ever been allowed upon them. Repeated applications have been pressed in private upon the directors

by the Directors in the course of last year to establish agencies and branches in the different islands, and to put the machinery of this extensive and princely establishment into operation. The names of the directors "show individuals of the very highest rank and character in both the monied and commercial interests of Great Britain; and in several, such as John Irving, Esq., chairman, and Andrew Colville, Esq., the deputy-chairman, the steady, unflinching, and influential supporters of the Colonies." The owners of the stock, and the customers, have in these, and in the names of the other Managers, the surest guarantee of the upright policy and good faith with which the affairs of the bank will be conducted. Such men, acting upon their known public principles, have every inducement, and are necessarily inspired with every honourable motive, to give the bank a successful operation, and to promote the prosperity of those Colonies embraced within the sphere of its influence. The capital of the bank is £2,000,000, divided into 20,000 shares of £100 each. It was a condition in its charter, that 25 per cent. of its nominal capital should be paid up before commencing business, and the Directors are invested with the power of calling upon the Shareholders for the remainder in such proportions as may be wanted. Of the active capital half a million has been paid up at the present time. The charter extends for a period of twenty years, and protects the shareholder from any loss beyond the amount of the stock he holds. Under any contingency he can only lose the amount of his investment; while the public are protected and secured by the character, the standing, and the intelligence of the directors,—by the publicity given to the transactions of the bank, and by the adoption of a system of management in which every guard and guarantee is introduced,—suggested by the experience of other similar establishments,—to secure zeal and fidelity in the different branches and their sub-agents. By being constituted a body corporate, the Colonial Bank has the privilege of suing, or is liable to be sued, in any court of justice, whether at common law or in equity, in any portion of the British dominions. Although the practical operations of the bank are to be confined to, and their branches placed in, the West Indies, the Directors have already appointed agencies to draw and pay their bills of exchange,—the drafts of or upon their Branches in New York, and in some of the British Colonies of North America,—in Halifax, Nova Scotia, and St. John, New Brunswick; and by a negotiation now in progress between the directors of the Colonial and the Bank of British North America, it is hoped that this arrangement will be extended to all the Colonies in North America. No system can be more fraught with promise, or can be better adapted to introduce so many facilities into the mercantile intercourse of those wide dependencies in the New World, than this circle of exchange. London, by a direct and regular connexion, will thus become the depôt of inter-colonial exchange. Balances due from the southern parts of the New World to the northern, in place of being remitted, as now, by the trans-

obtained in the
observed in the
on them. Re-
on the directors

and branches in the
principally establish-
le of the very high-
ests of Great Bri-
rew Colville, Esq.,
supporters of the
in these, and in
pright policy and
ted. Such men,
cement, and are
bank a successful
placed within the
000, divided into
that 25 per cent.
business, and the
reholders for the
ve capital half a
ends for a period
ond the amount
ne the amount of
ne character, the
ty given to the
management in
the experience
n the different
corporate, the
ed, in any court
of the British
be confined to,
eady appointed
or upon their
rth America,—
y a negotiation
ank of British
o all the Colo-
n promise, or
mercantile inter-
s circle of ex-
s become the
ern parts of
by the trans-

of some of the local banks, and attempts have been made, during the passing of charters through the legislatures of more than one Colony, to introduce the Scotch system of banking, and to compel the payment of a certain rate of interest upon deposits; but every

portation of the metals at a heavy expense of freight, insurance, and often the risk of loss, will, for the future, be paid by the remittance of a bill of exchange; and the balance of the aggregate of exchanges, when adjusted between these two great establishments, may be settled by one quarterly payment at the offices in London, from or by either of them, as such balance may accrue. The ease and simplicity of the system adopted at the Clearing House in the city, where the daily transactions of the London banks extending to millions are often adjusted by the transference, from one bank to another, of a few thousands, is, comparing the lesser with the greater, an example of the mode in which the smaller balances of the Colonies may be arranged. I look, however, to the ease,—the security it will confer upon those remittances, and the probability of these facilities leading to a more extensive and profitable trade. I trust also, that the directors, at some future time, will see fit to have establishments or agents in every foreign colony, or place of importance, in Central South America, together with correspondents in the United States; so that the notes and bills of the bank may be met readily, and that bills or orders drawn, by their agents, in one place, upon their agents in another, may be granted to the mercantile classes, throughout the wide range of the New World. The capital of the bank can only be applied to the legitimate and defined system of banking; but upon this, and the necessity of giving publicity to all the proceedings of the establishment, I extract the following paragraph from the Charter itself:—

“To carry on the business of bankers, by dealing generally in bullion, money, and bills of exchange, and lending money on commercial paper and Government securities, and in such *other lawful ways and means* as are usually practised among bankers; but it shall not be lawful for the said corporation to lend or advance money on the security of lands, houses, or tenements, or upon ships, nor to deal in general wares or merchandise of any nature or kind whatsoever;”
“And further, that the said corporation shall be bound to make up, and publish, in some newspaper or newspapers, circulating in each of the Colonies, where a bank shall be established, and also in ‘The London Gazette,’ *once in every year*, an account or statement, showing the whole amount of the debts and assets at the close of the past year, and showing also the amount of its notes payable on demand, which had been in circulation during such month of every year, together with the amount of specie, distinguishing each kind, and other assets immediately available in every such month for the discharge of such notes; and that the said corporation shall furnish copies of such yearly amount or statement to the respective governors of such island or colony in which a principal bank or banks shall be established.”

According to the terms of the Charter, the Colonial Bank is allowed to possess houses, tenements, and ships, so far as may be necessary *for carrying on the business* of the establishment every where, but for that purpose only, and, of course, is invested with the power of purchasing and selling the same. Three thousand shares

attempt and application of this kind has been steadily resisted. Those interested in the management of these establishments at Halifax, Nova Scotia, have ever contended that, as they had no domestic field for the employment of,—no daily, transitory, and

were reserved for persons resident in the Colonies. These shares are transferable. This sum was set apart that the Colonial capitalists might have an interest in, and a controul over, a great monied institution, which was likely to exercise so favourable an influence over their future destinies. The demand in England for the stock amounted to nearly seven millions; and had the scheme been more generally known, the demand would have been more than double. "The shares, (says Mr. M'Queen) have been very judiciously distributed amongst the West India interests, and amongst the monied and commercial interests of Great Britain, and particularly amongst those classes who not only have never had previously any connexion with the Colonies, but who had hitherto been opposed to them." And in proof of the kindly and generous spirit which animates the directors in favour of the Colonies, and of their anxiety to discharge with honour the responsible duties of their situation, he adds,—“Previous to dividing the shares amongst applicants, the directors, so far as their extensive knowledge led them to know, struck off the list the name of every applicant who it was supposed sought shares merely for the object of speculation and immediate sale to make gain.”

The lowest note the Bank can issue is one for five dollars. At each branch of the Bank, the notes it issues by the terms of the Charter are convertible into specie; or, if an arrangement can be made by the holder and the branch, bills in other countries eligible for remittance. By these terms, as is afterwards explained their obligations are redeemable in "*silver of acknowledged weight and fineness.*" Silver, and not gold, is adopted as their standard. Dollars are adopted as the foundation and medium of payment, and thus, one of the first practical benefits which the Bank has conferred, is to introduce one money of account, and a standard of value which may be reduced to *certainty*, throughout the entire circle of the British West India possessions. The directors, with a view to their own safety, will, in conformity with the Charter, make their notes responsible, only by law, in the metals, at their respective places of issue;—but, it is clear that, except in times of rapid fluctuations, and extraordinary demands for those metals, the notes of any one branch will pass current, their real and nominal value being the same, through all. It thus relieves the W. I. Colonies of the difficulties and embarrassments of an inter-colonial fluctuating system of exchange,—will lend to their intercourse additional facilities,—give to commerce a new and fresher impulse,—and extend one of those ties, the most binding among the different portions of a great commercial state.

The system upon which the bank is established is wholly that which is designated the Scotch system, and which has proved so beneficial to the interests of that country, that it is rapidly spreading in England and Ireland, and, on account of its superior excellence and security, is now extending to several of the great Continental States. The directors intend to introduce cash credits and to pay interest upon fixed deposits; but upon these two features I have above treated so fully that it is unnecessary to illustrate them further. The benefits they are

steadily resisted. Establishments at as they had no transitory, and

res are transferable. an interest in, and exercise so favour- in England for the ne been more ge- le. "The shares, amongst the West rests of Great Bri- e never had previ- p been opposed to h animates the di- charge with honour is to dividing the ive knowledge led t who it was sup- immediate sale to

each branch of the rtible into specie; ch, bills in other ls explained their d fineness." Sil- ted as the founda- benefits which the standard of value le of the British n safety, will, in y by law, in the cept in times of the notes of any e same, through barrassments of heir intercourse -and extend one reat commercial

which is desig- the interests of and, on account al of the great dits and to pay e above treated nenefits they are

fluctuating demand for,—*extra* capital, it was not in their power to pay interest. Some of the directors have defended their refusal upon the plea, that they could not find adequate employment for the capital they had at command. This is an argument confined to Halifax alone. That a part of the directors there have an excess of capital, it gives me pleasure to acknowledge; but in the other Colonies the directors of the local banks admit that they did not pay interest upon deposits, because they had found in the past they could escape from it. It thus happens that no Colonial bank, up to this period, has allowed interest upon deposits, although it appears, from the tabular view before presented, that the large average sum of £800,000 has been thus placed under their controul.* It has created amongst their customers, a deep feeling of discontent; and the introduction of this principle, by the Bank of British North America, has been one cause of that friendly reception which the project

expected to confer upon the Colonies in British North America, and upon which the public hopes rest so confidently there, will, no doubt, be enjoyed to equal extent by the customers of the Colonial Bank in the West Indies. They are positively prohibited, by their Charter, from lending money upon mortgage. The rate at which the Colonial Bank will discount mercantile bills, and advance capital upon loans, is 5 per cent., being the legal interest established in the United Kingdom; but upon this point I have not certain information. All accounts with the bank will be kept in dollars and cents, and this has been found, in all of the colonies, to be an arrangement most favourably received, as it simplified every merchant's book, and left only the exchange to be turned into sterling in the money transactions with Great Britain." The dollars and cents are the money of account of the United States, and most of the Republics in the neighbourhood of our West Indian Possessions.

I have thus submitted the features and plan of this great Colonial chartered institution, being under the impression that, while the question of the currency, which I have discussed, is of deep interest to all who are engaged in it, my Brother Colonists in North America have a direct interest in being familiar with its principles, modes of dealing, and stability. I have derived my information from the Charter, of which I have a copy, and from a very able letter published by Mr. M'Queen, during his stay at Kingston, Jamaica, in July 1836. From this document I have extracted freely, and I also beg to offer my acknowledgments to the several gentlemen possessing information upon the subject, for the kindness with which they have answered the inquiries I have addressed to them during the progress of my investigations upon this subject. I add, in the Appendix, a list of the London Directors.

* Upon the beneficial effect of Deposits, see Gilbert upon Banking, p. 86. Reports of the House of Lords and Commons. Adam Smith's "Wealth of Nations," p. 35.

has received. In adopting the system, however, the directors have wisely guarded it by those restrictions, of which past experience has suggested the expediency, and which are essential to safety and the certainty of profit. No interest will be paid upon deposits for a less period than three months. When the sums paid in bear interest, they cannot be withdrawn until notice to that effect has been given fifteen days previously. Interest ceases to run from the date of the notice. These precautions will enable the bank to incorporate its deposits into its active and trading, and, of course, its productive, capital; and permit their being employed in cash accounts, in discounts, and exchange. It is supposed that the latter will afford scope for the use of some of the *extra* capital thus thrown in; and if the system of cash credits succeed, according to present expectations, the branches may employ the estimated amount of deposits in their extension. The bank stands in this favourable position, that the directors can invest any amount of *extra* capital in London, and thus secure a certain return from the whole amount of their funds.

But one of the most acceptable features of the system, upon which Colonists look in the introduction of this establishment, is the *cash accounts*, or cash credits above alluded to, which the directors have pledged themselves to introduce. They have not yet been adopted by any bank in the Colonies, and, although they have been applied for and sought to be engrafted upon some of the charters, every attempt to introduce them, has, like the payment of interest upon deposits, been steadily resisted. To a great body of the Colonists, and especially to that portion who have emigrated from Scotland, the system has been long familiar; and they entertain and cherish the same prepossessions which prevail in their native country in its favour. Adam Smith, in his "Wealth of Nations," p. 35, says, "that, although these credits are granted by banks and bankers in all parts of the world, the easy terms upon which the Scotch Banking Companies accept of repayment were, as far as he knew, peculiar to them, and have been, perhaps, the principal cause, both of the great trade of these Companies* and of the benefits which the country has received from it." In Chambers's "Book of Scotland," p. 346, it is said, "that in 1826 it was computed that there were 1000 in Scotland,

* See Gilbert upon Banking, 4th Edition, p. 80.

the directors have
 which past experi-
 are essential to
 st will be paid
 ths. When the
 n until notice to
 Interest ceases
 ions will enable
 and trading, and,
 their being em-
 ge. It is sup-
 e of some of the
 ash credits suc-
 ches may em-
 ion. The bank
 s can invest any
 a certain return

em, upon which
 ent, is the *cash*
 directors have
 t been adopted
 e been applied
 charters, every
 nt of interest
 y of the Colo-
 ed from Scot-
 in and cherish
 country in its
 5, says, "that,
 ers in all parts
 nking Compa-
 ular to them,
 e great trade of
 y has received
 46, it is said,
 in Scotland,

"varying from £100 to £5000. Though originally designed for mer-
 cantile persons, they are now operated upon by farmers, manufac-
 turers, house-builders, miners, lawyers, and all classes of traders
 and shop-keepers." In Gilbert's Treatise upon Banking, "the total
 number of cash credits in Scotland has been estimated at 13,000,
 and their total amount at £5,000,000 sterling; of which, it is sup-
 posed, *about two thirds may be drawn out.*" I have referred to
 these authors, and made the above extracts, to account for the
 anxiety felt by this portion of the Colonial population, to have the
 benefits of this national system extended to those new countries
 which they have adopted as their domicile and future home. The
 inquiries conducted before the Committees appointed in both
 Houses of Parliament, to investigate the question of the currency
 and the banks,—and the ample testimony afforded before them by
 practical men, in illustrating the benign effects they have exercised
 upon the habits and character of the people, wherever they have
 been introduced, have created a general feeling in their favour,
 both in the mother country and in the Colonies.

In the latter, the only way in which capital, up to this time, could
 be derived from the local banks was by an application for discounts.
 If any merchant in the Lower Provinces, for example, saw an enter-
 prise in prospect, which might require the use of an extra 1000*l.*,
 he could only command it by presenting for discount his own note,
 endorsed by two or more of his friends. Both of the banks in the
 province of Nova Scotia insisted upon three responsible names. In its
 very inception it was thus made a matter of delicacy and embarrass-
 ment. It compelled him to disclose his plans to others. It involved
 him in other contracts and engagements than his own. He was forced
 to assume heavy obligations. He had to return, at the same or some
 short period after, similar favours to those he had received. It led
 to a complex and universal system of accommodation. It involved
 the fortune of every man too deeply in the general circumstances of
 the community. It stood in many cases as an insuperable barrier
 to enterprise; and frequently led to suspicion and enquiry among
 the local directors, who, being engaged in active trade, refused
 the accommodation sought for, and then embraced the speculation
 themselves. And in addition to all these evils, it pressed upon the
 community and upon individuals in this respect, that if the accom-
 modation had been granted, and the speculation from any unexpected
 causes were defeated, the party was compelled to retain this extra

capital upon interest, although unproductive, until the note became due and the term of credit had expired. Instances have come under my own knowledge where a party having obtained an accommodation of this kind, and having been debarred from prosecuting the enterprise he intended, had been obliged to deposit the sum in the same bank from which he had drawn it, and allow the bank to derive a double interest at his expense, upon the employment of its own capital. It is not wonderful that a deep anxiety should have been felt in the colonies to be relieved from such a system.

In treating upon the probable effects of these credits, much consideration is due to the following extract from the report of a Committee of the House of Lords upon the question :—

“There is also,” say their lordships, “one part of their system which is stated by all the witnesses (and in the opinion of the committee very justly stated) to have had the best effects upon the people in Scotland, and particularly upon the middling and poorer classes of society, in producing and encouraging habits of frugality and industry. The practice referred to is that of cash accounts. Any person who applied to the bank for a cash credit, is called upon to produce two or more competent securities, who are jointly bound. * * * From the facility these cash accounts give to all the small tradesmen of the countries, and the opportunity they afford to persons who begin business with little or no capital but their character, to employ profitably the meanest products of their industry, it cannot be doubted that the most important advantages are derived to the community. The advantages to the banks who give these cash credits, arises from the call they continually produce for the issue of their paper, and from the opportunity they afford for the employment of part of their deposits. The banks are indeed so sensible that, in order to make this part of their business advantageous and secure, it is necessary that their cash credit should (as they express it be frequently operated upon, that they refuse to continue them if this condition be not fulfilled.”

This extract establishes that three important results may be anticipated from the introduction of the system :—

First—a more liberal diffusion of capital into the hands of the active and industrious classes of the community, and of course a more extensive and prosperous trade. In stating this result, I may meet the objection raised by some, that there is no field for the operation of the bank, and that there exists already in the

il the note became
s have come under
ed an accommoda-
n prosecuting the
sit the sum in the
allow the bank to
employment of its
society should have
a system.
dits, much consi-
ort of a Commit-

t of their system
ion of the com-
effects upon the
ling and poorer
bits of frugality
cash accounts.
is called upon
e jointly bound.
he small trades-
ford to persons
ir character, to
stry, it cannot
derived to the
ive these cash
e for the issue
r the employ-
d so sensible
ntageous and
they express
ntinue them

may be anti-

ands of the
of course a
is result, I
no field for
ady in the

Colonies an excess, not a deficiency, of capital. It requires a brief answer. It is an argument which is heard only in Nova Scotia:—for in the Canadas and in New Brunswick it has never been employed. The directors of the banks in the latter admit that the introduction of British capital will give a new impulse to trade and enterprise. In meeting the objection, then, I will not refer to the popular clamour against capitalists, too prevalent in every country, amongst the needy, and from which Nova Scotia is not exempt; but the past operation of both the banks in that province show that even they deem it safe to trust their capital, *to a certain extent*, among the merchants and mechanics. Supposing the field of operation to have been already pre-occupied by the local banks, what is to prevent the bank of British North America from securing, upon the principles of free competition, a portion or share of the trade of banking? The directors are determined to carry into this new sphere those safe and improved principles of action which are supported by long experience, and which have been found at once to promote the interest of banks and their customers. They will place their *veto* in the colonies, as in England, upon accommodation paper, and give capital to those only whose character and credit afford a guarantee for its safety, and for its employment in those legitimate and hopeful enterprises which are likely to promote the public prosperity, and at the same time yield a profit to the individual. The decisions of the local boards will be controlled by other and purer motives than those suggested, from a species of mercantile espionage, animated by a desire to obtain information that it may be turned to other purposes. But it is the general opinion, even in Halifax, that the local banks have not afforded the extent of accommodation, which their commerce and resources required. I refer to Mr. Carter's speech before the shareholders in London, for information and evidence upon this head, as it bears not upon Nova Scotia only, but upon the Colonies in general.

"As another reason," says he, "for believing this establishment will succeed, it is stated that a great demand for banking facilities exists in the colonies. That this is the fact I can aver from what came under my own observation, and the communications I held with mercantile men in all the provinces. It is also proved by the numerous applications made to the different legislatures for bank charters or acts of incorporation. No less than eleven applications were made to the legislatures of Upper Canada while I was in Toronto, for the establishment of new banks on the extension of

“ the capitals of those already in existence, and all the banks in Lower
 “ Canada propose to double their capital. In New Brunswick, most
 “ of the banks have recently increased their capital ; but still a great
 “ want of banking accommodation exists for rendering legitimate
 “ facilities to trade and commerce. A general complaint of the want
 “ of discounts prevailed in all the colonies. I was informed by the
 “ directors of the bank of Montreal, in January last, that on each
 “ discount-day—that is, twice a week—they had unexceptionable
 “ paper to the amount of 80,000*l.* laid before them, and that their in-
 “ crease would not allow them to discount more than about 20,000*l.*
 “ At Quebec, a respectable merchant and bank director informed me
 “ that he had constantly, during the last year, about 20,000*l.* of good
 “ bills by him, which he could not get discounted.”

In Halifax and St. John's, the same complaints have been made. Sound paper, founded upon actual and bona fide transactions, have frequently been refused. Enterprise and promising speculations have been retarded or suppressed. It is believed that the trade of the colonies now requires a large addition of capital ; but when we consider the effect likely to be produced upon the activity of existing relations, by the new system of British and inter-colonial exchanges—the more liberal principles of the bank in the systems of cash accounts and of deposits,—the natural, the inevitable effect of the introduction of so large an amount of British capital, in extending the means of enterprise, both to the resources which now exist and those likely hereafter to be opened and widened, *it is clear that the very establishment of the bank will create a field of operation for itself.* In the United States of America, a large occupation is found for the capital of England. Many of their enterprises—canals, railroads, and banks—are conducted by the aid they have received from London: and if in a country which has reached so superior a condition in the developement of its national wealth and resources, so wide a scope for foreign funds is afforded, it is believed that the colonies present even a broader and better field, and that the introduction of this amount of British capital, to be guided and controlled by men who have a deep stake in their prosperity and advancement, must produce the most benign and happy results. With reference to the bank itself, the transactions of the bankers in exchange will afford a large and novel occupation for its funds ; and to this the directors have set no limits, so long as each transaction yields a moderate return, and can be conducted with safety.

the banks in Lower
Brunswick, most
; but still a great
rendering legitimate
complaint of the want
is informed by the
last, that on each
unexceptionable
and that their in-
than about 20,000l.
ector informed me
t 20,000l. of good

have been made.
ransactions, have
ing speculations
that the trade of
; but when we
activity of exist-
ter-colonial ex-
the systems of
evitable effect of
tal, in extending
now exist and
s clear that the
operation for
pation is found
s—canals, rail-
e received from
superior a condi-
sources, so wide
at the colonies
introduction of
rolled by men
ement, must
ference to the
will afford a
the directors
a moderate

It cannot be denied that some stockholders of the local banks, and some Colonial Capitalists, look upon the Bank with distrust and jealousy; but it is thought by others, and by the more liberal and intelligent even of the classes referred to, that it will exercise a beneficial influence upon the general interests, and ought, therefore, to be supported and encouraged. Men, and bodies of men, do not relish the first impulses and collisions of competition. It is natural that these feelings should exist among men who look only to the present time; but the minds of others, who can take a more enlarged and prospective view of commercial affairs, are affected by higher considerations, and come to contrary results. The bank can only prosper by the introduction of the facilities it has promised,—by dealing, in fact, in the community upon those easier and better terms which the experience of the mother country has vindicated,—for no man will be disposed to alter his existing relations, or seek a new connexion, unless he deem it to be his interest so to do. The bank directors have no power of controul, except by addressing the self-interest of their customers. If they promote their interest, they promote the interests of the Colonies. The local capitalists are bound up as a part of the body-politic. The bank must, of course, interfere with the present employment of their funds; but if it advance the prosperity of the country,—quicken the activity, and widen the circle of its trade,—it will increase the value of property, and have the effect ultimately of extending the field for the employment of colonial capital. By many of the monied men in the colonies the establishment, therefore, is regarded as bright with hope, and likely to exert upon their own prospects a happy influence, although it may be removed at a distance from the present time. It is clear the bank can only advance its own interests, and secure its own permanence and well-being, by promoting the trade and prosperity of the colonies;—by taking that enlarged and liberal view of a distant and ultimate result, which leads to present sacrifice, and represses that anxiety which is *too* ardent for temporary gains.

Second.—To the bank itself the system of cash credits will be beneficial, as it will necessarily call for additional issues of paper. This has been the invariable effect of them in other countries; and it follows as an inevitable result, if they increase trade and profitable speculation. I give beneath the conditions upon which they are conducted, and the testimony afforded by others upon the question. I quote again from Gilbert's Treatise upon Banking, p. 85.

“As by cash credits the banks render themselves liable to be

called upon at a moment's notice for the amount of the credit granted, it is natural to suppose that they contemplate some advantage in return. The advantage contemplated is the circulation of their notes. It is not intended that the cash credit shall be a dead loan of capital. It is expected that there shall be a perpetual paying in and drawing out of money, and the smaller the denomination of the notes drawn out, the more advantageous is the account to the bank. Manufacturers who pay away large sums every week in wages, linen-buyers, and cattle-dealers, millers, and provision-merchants, who make their purchases in small sums, and generally all those who have quick returns of money passing through their hands, have the means of making a cash credit profitable to the bank. On this subject," he adds, "I again quote the evidence:—

" 'To secure to the bank the advantages of circulation, which is to make it worth while to afford these facilities at so little expense to their customers, he on his part is to lose no opportunity of bringing to the bank, and thus withdrawing from circulation, the notes of every rival bank which comes into his hands in the course of his transactions: or, of paying away, and thus introducing into circulation, as many of the notes of the bank as his transactions admit of, always £1 notes, if possible. The payments and receipts must be frequent, for in this consists the banker's profit, inasmuch as the payments are uniformly made by him in his own notes, and the receipts are generally, in a very great degree, in the notes of other banks. Thus, supposing a shopkeeper to have a credit for £50 or £100, if his receipts and payments average £5 per day, he may, in six months, or 150 days, have placed 750 of his banker's £1 notes in circulation.

" 'It is quite necessary, in order to render a cash account beneficial, that there should be repeated and continued operations upon it; that the transactions should be numerous: that there should be a continual drawing out and paying in of money; and that, by these means, a circulation of the bank notes may be promoted; otherwise the account is withdrawn, and the great reason of this is, that these accounts are not intended to form dead loans, but to be productive of circulation to the bank.'

Third.—If in the colonies they exercise the same auspicious influence upon habits of industry and frugality which they have produced in Scotland, the benefits will be incalculable. They operate at once as a spur to exertion, and secure, at all times, a safe place of deposit for surplus savings. "This system has a great effect

ant of the credit
plate some advan-
the circulation of
it shall be a dead
a perpetual pay-
the denomina-
is the account
sums every week
and provision-
s, and generally
g through their
profitable to the
the evidence :—
tion, which is to
little expense to
tunity of bring-
tion, the notes
he course of his
ing into circula-
tions admit of,
receipts must be
asmuch as the
notes, and the
notes of other
edit for £50 or
ay, he may, in
ker's £1 notes

account benefi-
perations upon
there should
and that, by
be promoted ;
ason of this is,
ns, but to be

suspicious influ-
ey have pro-
They operate
a safe place
great effect

upon the moral habits of the people, because those who are sure-
ties feel an interest in watching over their conduct ; and if they find
they are misconducting themselves, they become apprehensive of
being brought into risk and loss from having become their sureties ;
and if they find they are misconducting themselves, they withdraw
the security." In countries like the colonies no check can be more
beneficial. It will be of essential importance in lessening the pre-
vailing taste for show and a luxurious style of living. The colo-
nists have yielded in this respect to the tendencies of the age. The
example of other countries,—of the local governments,—of the
military, and of official men, supported by salaries above the means
and exigencies of the country, have had a pernicious effect in intro-
ducing habits of expense, and a style of manners fitted only for a
more advanced state of society. Many prudent men have resisted
the influence of this example. The Ministry of late, with a just re-
gard to the sound philosophy of life, and the tone of colonial feeling,
have expressed their open disapproval of artificial and extravagant
style. Some of the despatches of Lord Glenelg to the colonial legis-
latures, relative to the settlement of the Crown and territorial reve-
nues and the adjustment of their Civil Lists, have been on this ac-
count most warmly responded to. In placing the Crown Revenues
at the disposal of the legislature, his Lordship has wisely left them to
fix salaries with a just regard to the rights and responsibility of the
officer, but at the same time to consider his scale of expenditure, and the
style of society in which he is required to move. In some of these
it has been clearly stated that no "offensive distinction" ought to be
drawn in favour of men holding situations under Government,—that
they are bound to submit to the circumstances of the community ;
and as settlements have been effected upon these sound principles,
one main source of the pernicious examples to which I have alluded
has been for ever removed. The Government having thus operated
upon one class, it will be fortunate for the colonies, if the Bank, by the
introduction of cash credits, exercise an equally beneficial and moral
influence upon those more numerous classes, whom they have cor-
rected and improved in other countries, so that simpler and plainer
habits may be introduced,—the happiness of society increased,—
and the prosperity and permanent wealth of the country promoted.

CHAPTER III.

UPON THE INTRODUCTION OF BRITISH COIN, AND BRITISH
STERLING AS THE MONEY OF ACCOUNT, INTO THE
BRITISH COLONIES OF NORTH AMERICA.

Involved condition of the Colonial Currency.—Table of Coins furnished by Mr. Carter.—Exchanges in the Colonies and upon Great Britain.—Difficulty of remittance.—Old Halifax Currency.—Elements of Exchange.—Currencies suggested :—British Sterling; the Dollar; and, a Colonial Dollar to be issued from the Mint.—Assay of Dollars,—impurity of.—Depreciation of American Currency.—Advantages of introducing Sterling.—Dangerous influence of the United States upon the Money Market of the Colonies.—Causes of the late Crisis in the Money Market of the United States.—Policy and Scheme of General Jackson.—Arrangement of Her Majesty's Government for the Payment of the Troops.—Bank of British North America to adopt the same Scheme.—Republican Dollar.—Mode to be pursued in introducing a General Currency.—Regulation of existing Debts and Contracts.—Dollar for the use of the Colonies.—Propositions.

"In order to give effect to the exertions of Her Majesty's Government, I venture to propose the following measures for his Excellency's consideration. It is expedient to fix the corresponding ratios of the English coins, and to make them a legal tender at these rates. It is expedient to establish sterling money as the money of account, and exclusively recognizable in courts of law.

"The British Government have in view the political tendency of this introduction of English money into the Colonies. A similarity of coinage produces reciprocal habits and feelings, and is a new claim of attachment in the intercourse of two nations. The Roman, and all ancient and modern nations, have acted on this principle, particularly the French, in the late war. The French coins pass throughout the Mediterranean and great part of Germany; and it certainly had the effect of increasing the intercourse of those countries with France."—*Commissary General Routh's Letter to His Excellency Sir James Kempt upon the Currency of Lower Canada, 6th February, 1830, laid before the House of Assembly, and published in the Journals.*

HAVING, in these two previous chapters, reviewed the supposed operations, and prospects of the Bank, and the probable advantage

it will confer, both upon the mother country and the Colonies,—upon the shareholders at home and abroad,—I come now to treat upon the main question of the Currency, and to enquire to what coinage and standard it would be most beneficial to resort. Let me first remark, however, upon the present position of the currency in the different Colonies, and proceed to give some idea of the conflicting and involved condition of their coins and nominal values;—I refer to the Table in the following page, furnished to me by Mr. Carter; and from the attention he paid to the subject, while in the Colonies, perfect reliance may be placed upon its accuracy. This combined view of the different currencies, in its present perfect shape, could not have been presented, had not the information been collected by Mr. Carter during his mission.

N, AND BRITISH INTO THE ERICA.

furnished by Mr. Carter.
difficulty of remittance.
cies suggested:—Bri-
ued from the Mint.—
urrency.—Advantages
tates upon the Money
Money Market of the
angement of Her Ma-
British North America
pursued in introducing
acts.—Dollar for the

vernment, I venture
ion. It is expedient
them a legal tender
e money of account,

this introduction of
es reciprocal habits
two nations. The
nciple, particularly
the Mediterranean
ing the intercourse
tter to His Excel-
bruary, 1830, laid

the supposed
ble advantage

TABLE OF COINS—WEIGHTS, VALUES, &c.

COINS.	United States.			Lower Canada.			Upper Canada.			Nova Scotia.			New Brunswick.			Prince Edward's Island.		
	Weight. dwts. grs.	Halx. cy. £. s. d.	Halx. cy. £. s. d.	Weight. dwts. grs.	Halx. cy. £. s. d.	Halx. cy. £. s. d.	Weight. dwts. grs.	Halx. cy. £. s. d.	Halx. cy. £. s. d.	Weight. dwts. grs.	Halx. cy. £. s. d.	Halx. cy. £. s. d.	Weight. dwts. grs.	Halx. cy. £. s. d.	Halx. cy. £. s. d.	Weight. dwts. grs.	Halx. cy. £. s. d.	Halx. cy. £. s. d.
<i>Gold.</i>																		
British Guinea	5 9 $\frac{1}{2}$	1 5 6 $\frac{11}{16}$	1 3 4	5 6	1 3 4	1 5 6	5 9 $\frac{1}{2}$	1 3 4	1 5 6	.....	.....	.....	.....	1 3 4	1 10 0	1 2 2 $\frac{1}{2}$	.....	.....
" Sovereign	5 3 $\frac{1}{4}$	1 4 4 $\frac{1}{16}$	1 2 2 $\frac{1}{2}$	.....	1 2 2 $\frac{1}{2}$	1 4 4	5 3 $\frac{1}{4}$	1 2 2 $\frac{1}{2}$	1 4 4	1 5 0	1 5 0	1 5 0	.....	1 2 2 $\frac{1}{2}$	3 2 6	2 10 0	.....	.....
American Eagle, coined before the 1st of July, 1834	11 6	2 10 0	2 10 0	11 6	2 10 0	2 13 4	11 6	2 10 0	2 13 4	2 10 0	2 10 0	2 10 0	.....	2 10 0	3 2 6	2 10 0	.....	.....
" " since	10 18	2 10 0	2 10 0	.....	2 10 0	2 10 0	10 18	2 10 0	2 10 0	2 10 0	2 10 0	2 10 0	.....	2 10 0	3 2 6	2 10 0	.....	.....
Portuguese Johannes	18 0	4 5 3 $\frac{1}{2}$	4 0 0	18 0	4 0 0	4 0 0	18 0	4 0 0	4 0 0	4 0 0	4 0 0	4 0 0	.....	4 0 0	3 15 6	.....	.....	.....
" "	6 18	1 11 1 $\frac{1}{16}$	1 10 0	6 18	1 10 0	1 10 0	6 18	1 10 0	1 10 0	.....	.....	.....	.....	3 15 6	.....	.....	.....	.....
Spanish Milled Doubloon	17 0	3 16 5	3 14 6	17 0	3 14 6	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
French Louis d'or, coined before 1793	5 4	1 4 6 $\frac{1}{16}$	1 2 8	5 4	1 2 8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
" " do.	4 4	0 19 4 $\frac{1}{16}$	0 18 3	4 4	0 18 3	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
" 40 franc piece, coined since 1792	8 6	1 18 4 $\frac{1}{16}$	1 16 2	8 6	1 16 2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
" 20 franc piece do.	4 3	0 19 2 $\frac{1}{16}$	0 18 1	4 3	0 18 1	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<i>Silver.</i>																		
British Crown (Half-crown in proportion) .....	.....	0 5 5 $\frac{1}{16}$	0 5 6	.....	0 5 6	0 6 0	.....	0 6 0	0 6 0	0 6 3	0 6 3	0 6 3	.....	0 5 6 $\frac{1}{2}$	0 7 6	0 5 6 $\frac{1}{2}$	.....	.....
" Shilling (Sixpence in pro- portion) .....	.....	.....	0 1 1	.....	0 1 1	0 1 3	.....	0 1 3	0 1 3	0 1 3	0 1 3	0 1 3	.....	0 1 1 $\frac{1}{2}$	0 1 6	0 1 1 $\frac{1}{2}$	.....	.....
French Crown .....	.....	0 5 5 $\frac{1}{16}$	0 5 6	.....	0 5 6	.....	.....	.....	.....	.....	.....	.....	.....	0 5 6	0 5 6	0 5 6	.....	.....
" Half-crown .....	.....	.....	0 2 9	.....	0 2 9	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
American Dollar .....	.....	0 5 0	0 5 0	.....	0 5 0	0 5 0	.....	0 5 0	0 5 0	0 5 0	0 5 0	0 5 0	.....	0 5 0	0 5 0	0 5 0	.....	.....
Spanish Milled Dollar .....	.....	0 5 0	0 5 0	.....	0 5 0	0 5 0	.....	0 5 0	0 5 0	0 5 0	0 5 0	0 5 0	.....	0 5 0	0 5 0	0 5 0	.....	.....
South American Dollar .....	.....	0 5 0	0 5 0	.....	0 5 0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Mexican Dollar, coined in 1831, 1832 or 1833 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Pistareen .....	.....	0 0 9 $\frac{1}{16}$	0 0 10	.....	0 0 10	0 4 8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
French 5 franc piece .....	.....	0 4 7 $\frac{1}{16}$	0 4 8	.....	0 4 8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

For a further statement of the coins circulated in Lower Canada, their weights and value by law, see "Observations on a Metallic Currency," published at Montreal in 1837, p. 5 to 7. Mr. Chapman in his pamphlet on the Money and Exchange of Lower Canada, p. 89, after giving a statement of the coins in circulation, and their values, says, "falling the whole currency 1,000, no less than 671 parts are of the sound thereof, the rest being composed of coins more or less depreciated." See tables of gold and silver coins circulated in Lower Canada, in pages 10 and 11 of Observations upon the Metallic Currency of that Province. "A Table of the Coins of the Province of Lower Canada, also to Porter's Tables for the information contained in the Blue Books.

U
at 89
assu
gold
nally
the
tend
L
sing
give
2 $\frac{1}{4}$
eith
Port
ing l
weig
and
min
port
tw
are
silv
for
the
A
Dec
Col
ger
Br
of
rec
ci
vi
n

United States.—The gold coins of the following countries are legal tender by weight, viz., Great Britain, Portugal, and Brazil, at $94\frac{8}{10}$ dol. per dwt.; France at $93\frac{1}{10}$, and Spain at $89\frac{1}{10}$. For the sake of comparison, the weights given in the Upper Canada Act are assumed for the British coins, and the weights in the Lower Canada Act, for the other gold coins. The American Eagle, coined before the 1st of July, 1834, although nominally of the value of ten dollars only, sells at a price equal to its excess of weight over the new coinage. Silver dollars, crowns, five-franc pieces, and pistareens, are legal tender by tale.

Lower Canada.—The rates given in the table are for gold coins, weighed by the single piece; allowance to be made on every piece weighing more or less than the given standard, at $2\frac{1}{2}d.$ currency per grain, if British, Portuguese, or American, and $2\frac{3}{4}d.$ cy. per grain, if French or Spanish. In payments above £20 cy., in gold coins, either party may require it to be weighed in bulk, at $89s.$ cy., per ounce troy, for British, Portuguese, or American; and $87s.$ $8\frac{1}{2}d.$ cy. per ounce, for French and Spanish, deducting half a grain for each piece so weighed, to compensate the receiver for the loss in reweighing separately. The currency law was passed prior to the coinage of Sovereigns and new Eagles. The silver coins are rated by tale. All the higher and lower denominations of gold and silver coin rated above are to be received in their respective proportions.

Upper Canada.—Gold and silver coins, if depreciated in weight more than one-twenty-fifth part of their full weight, not to be legal money, with this proviso, they are receivable by tale. All the higher and lower denominations of rated gold and silver coins are to be received in their respective proportions. The act is to remain in force until the 20th of April, 1840, and to the end of the then next ensuing session of the Provincial Parliament.

Nova Scotia.—The Currency Law of this province having expired on the 31st of December, 1835, I have inserted the rates at which coins are received and paid at the Colonial Treasury by virtue of the Acts 6 Wm. IV. cap. 32 and 41, and which are generally adopted in mercantile transactions; the banks, however, refuse to receive British silver at the excessive rates given above. About 57,000*l.* in notes (principally of 1*l.* each) issued by the Province Treasury are in circulation, and as they are not redeemable in specie, they are at a discount in the adjoining province; their credit and circulation are supported in Nova Scotia, by their being receivable in payment of provincial duties, and by an act of the legislature which prohibits the issue of any other notes of less denomination than £5.

New Brunswick.—British gold and silver coins are not specifically rated by the currency law of this province, and they are inserted in the table at one-ninth more than their sterling value, being the only rate at which they are legal tender. A bill was introduced into the Provincial Legislature in the Session of 1837, fixing a rate on the sovereign, but I do not know whether it has received the royal assent. The dollar and its aliquot parts, and the French crown, are all legalized by tale, but not the half-crown.

Prince Edward Island.—There is no specific regulation of the currency in the island, the British coins are consequently inserted at one-ninth more than their sterling value. The money of account has been depreciated by the issue of irredeemable treasury notes, which are in circulation to the extent of 14,500*l.*, and pass at the rate of 30*s.* to 20*s.* in British coin. These notes have been sold by auction in Halifax at 1*l.* Halifax currency per pound.

Newfoundland.—I am indebted to Thomas H. Brooking, Esquire, of London, for the following information upon the currency of this island. From his mercantile intelligence, his local knowledge, and long familiarity with the domestic trade and foreign

French 5 franc piece.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

For a further statement of the coins circulated in Lower Canada, their weights and value by law, see "Observations on a Metallic Currency," published at Montreal in 1837, p. 5 to 7. Mr. Chapman in his pamphlet on the Money and Exchange of Lower Canada, p. 89, after giving a statement of the coins in circulation, and their values, says, "Calling the whole currency 1,000, no less than 671 parts of the sound thereof, the rest being composed of coins more or less depreciated in weight, and their values, also to Porter's Tables for the information contained in the Blue Books." The Metallic Currency of that Province is also given in the Blue Books.

relations of that island, I am glad to refer to his valuable authority for the following facts :—

"The currency of this island is composed chiefly, almost entirely, of Spanish dollars, which circulate at the rate of 5s. each; their sterling value being fixed under a treasury order at 4s. 4d. each.* The difference between the two is 15l. 7s. 8d. per cent., and this is considered to be the par of exchange. To reduce the currency to sterling, two-fifteenths are deducted; to advance sterling to currency, two-thirteenthths are added. Doubloons have been recently introduced to some extent, and although not generally received, their value may be stated at 76s. 6d. currency, or 66s. sterling. Bills of exchange are bought at a premium, which, supposing it to be quoted at twenty per cent., would require 480 dollars to pay for a bill of 100l. sterling, and I refer to this as the most simple method of computing the rate of exchange in Newfoundland. With reference to the money of account, it may be said generally, that all transactions and contracts between merchants, dealers, planters, tradesmen, fishermen, servants, &c., are kept in currency—say four Spanish dollars for one pound. Small coins are extremely scarce, and change in consequence difficult to be met with in sufficient quantity to meet the demand and carry on the ordinary business of life. Fractional parts of dollars, in proportion to the value of the whole dollar, and British silver, circulate generally; the latter at the following rates,—the sixpenny piece at 7d., the shilling at 1s. 2d., sometimes 1s. 3d., and the half-crown at 2s. 7d. or 3s., according to the demand. They have no fixed rate, so far as I know. There is thus great irregularity in the currency of the island, and the mode of transacting ordinary business is fraught with serious and inconvenient anomalies. The introduction of a sound standard, and uniformity in its monetary affairs, would be productive of many benefits to this valuable dependency of the Crown."

It is clear that the condition of our currency—this conflict in the nominal values of the different coins—must embarrass both the convenience and the frequency of inter-colonial exchange. I press it as a practical evil, that I have frequently known sums lying unproductive for months in the hands of parties, both in the Provinces of Nova Scotia and New Brunswick, who were anxious to transfer them, and who felt an insuperable difficulty in procuring any available mode of remittance. Bills or drafts drawn in one colony upon another, often vary from one to five per cent. I have known bills in Halifax, drawn upon Quebec, sold at a premium of eight per cent. At other times they fall to a discount, and it may

* To show the unsoundness of this standard, the fictitious sterling value which the dollar has received, I give the following additional extract from the letter of Com.-gen. Routh :—

"The current value of the Spanish dollar in the colonies having been rated at the English mint price of silver, and that price being 2d. per ounce more than the market price, has been obviously overvalued at 4 per cent.—what is really worth 4s. 2d. in England paid 4s. 4d., in the colonies, equally as well as 4s. 4d. British money, which conventionally passes for, and in point of fact can only be had in England in exchange for, a value equivalent to 4s. 4d."

be stated, as a general proposition, that the inter-colonial exchanges are subject to daily fluctuation, and vary, in their premium or discount, according to the shifting balance of trade, and the changes in the value of their respective currencies. These oscillations are often sudden, and lead to loss and disaster.

To effect a remittance to the United States is often a matter of equal difficulty, and the exchanges upon them are exposed to as excessive and troublesome fluctuations in value. In the lower provinces the balance of trade, by reason of the large importation and consumption of American flour, is against them. It is discharged in specie, for the value of the flour exceeds the exports of fish, plaster Paris, and, some say, even of coals. In consequence of this demand, specie in the Colonies has, of late years, been sustained at a premium of three, four, and five per cent. Drafts upon the States sell at the same rate, and being chiefly supplied by brokers for the purpose of speculation, they are often high and even difficult to obtain. If the sum held to be remitted be small, a draft cannot be obtained at any premium, or, to use a strong but not graceful simile, "neither for love nor money."

The embarrassment attending the currency in the province of Nova Scotia was largely increased some years ago by a voluntary act on the part of the merchants in Halifax, who, with a view of retaining doubloons in the colony, determined to raise the nominal, and, as some thought, their real value, from £3. 17s. 6d. to £4.* It had the effect of relieving the debtor at the expense of the creditor; debts were paid with the depreciated currency. It elevated prices and increased the rates of foreign exchange.† But those who then supported the measure are now convinced that it was a violation of the known and established principles of political science, and has utterly failed in the effect they intended.

The relation, however, in which the currency of the Colonies stands to that of the mother country, is equally involved and intricate. The *old Halifax*‡ currency, which prevails throughout all the

* An attempt of a similar kind was made in Prince Edward Island, where the coin was depreciated by pieces being struck out from the centre. Those who supported the measure are now satisfied, that it was as unsound in conception as it has been ineffectual in promoting the end they had in view.

† For an illustration of the causes which regulate the value of the precious metals, and the effect their supply has upon price—I refer to Lord Brougham's Eighth Lecture upon Political Economy. Glasgow edition, page 57.

‡ The introduction of this currency is referred to a period anterior to

North American Colonies, is a fictitious addition of one-ninth, making one hundred pounds sterling equal to £111. 2s. 2½d. currency. It is not necessary to inquire into the origin of this singular calculation, for, it is clear, it neither forms a *real nor even sound standard of nominal difference*.* It is, in fact, both in origin and practice, a fiction in exchange. According to the shifting balance to be discharged in money between England and the Colonies, bills rise to a premium, or fall to a discount. During the last war with

the revolutionary war in America. At that time the old Spanish dollar was worth 4s. 6d. sterling, and one-ninth was added to its value, to bring it up to 5s., so that their money of account, being kept in dollars and cents, might be represented by an actual coin. I give this explanation, however, upon the authority of tradition and general report—for I have not been able to find any satisfactory explanation of this currency in any ancient colonial work.

* In the course of my investigations upon the subject, I have been furnished by a gentleman in London, deeply versed in the science of Political Economy, with a pamphlet published at Boston in the year 1740, and reprinted in London, 1741. It is entitled "A Discourse concerning the Currency of the British Plantations in America, especially with regard to their Paper Money," and I select from it a few passages to show that the conflict in the local colonial currencies, which prevailed then and exists even at the present time, was felt thus early as a serious grievance. "It is not easily to be accounted for," says the author, p. 7, "how England, France, and Holland, have locally allowed their several American colonies, by laws of their several provinces, by chancings in their courts of judicature, and by custom, to depreciate from time to time the value of their original denominations, to defraud their principals and creditors in Europe. The British plantations have not only varied from sterling, but have also very much varied from one another, to the great confusion of business and damage of the merchant. This will appear plain by inserting, at one view, the state of the currencies in the several British plantations, whereof some are per exchange, some in Spanish silver coin, and some in paper money, called colony, or province bills of public credit."

† In the succeeding paragraph he thus imperfectly accounts for the introduction of what is now called the old Halifax currency. "Originally, and for some years following, in all the English and American colonies, 5s. denomination was equal to an English crown sterling. After some time, pieces of eight, being the general currency of all foreign American colonies, became also their currency; and they remitted or gave credit to the merchants at home (by home is meant Great Britain), a piece of eight (value 4s. 6d. sterling) for a crown or 5s. sterling. This was a fraud of eleven per cent. In sundry of our colonies were enacted laws against passing of light pieces of eight; these laws not being put in execution, heavy and light pieces of eight passed promiscuously, and, as it always happens, a bad currency drove away the good currency—heavy pieces of eight were shipped off."

America I have seen the Government bills issued at the Commissariat sold at a *discount* of 25 per cent. ; they have been sold since at a *premium* of 18 per cent. The ordinary rate in Halifax, of late years, has been 12 or 14 per cent. premium; and, in examining the returns in Porter's tables, it will be seen, that, for the last few years, they have fluctuated in all the Colonies, from 8, 10, 12, to 14 per cent. Mr. Chapman, in his "Thoughts on the Money and Exchange of Lower Canada," has given, in an Appendix,* a table of the rates of exchange at New York on London from 1821 to 1832. The following are the averages for the years stated respectively :—

1824—9 $\frac{1}{16}$ per cent.	1828—10 $\frac{1}{2}$ per cent. premium.
1825—8	1829—9 $\frac{1}{8}$ do.
1826—10 $\frac{1}{16}$	1830—7 $\frac{1}{2}$ do.
1827—10 $\frac{1}{8}$	1831—8 $\frac{13}{16}$ do.

The mode of calculation is to deduct the discount from, or add the premium to, the amount of the bill in sterling, and then bring both into currency by the addition of *one-ninth* upon the whole. At a first view, it may be asked if any exchange could be more complex, uncertain, or irrational? It is not wonderful that the Colonies should desire to be relieved from the pressure and embarrassment thus entailed upon them, and be glad to have introduced one

* In a pamphlet entitled, "Observations upon a Metallic Currency for Lower Canada," and published at Montreal, 1837, there is a table of the rates of premium from 1821 to 1836. The author states the average rate of premiums for that period of sixteen years, at 9 $\frac{1}{2}$ per cent. He attributes this to the real cause of the difference—the want in the colonies of a sound metallic medium. Pages 30, 31.

† "In New York, during the past year, and before the present derangement of commercial affairs began, the premium on bills on London, varied from 6 $\frac{1}{2}$ to 10 per cent. ; recently it has ranged from 14 to 16 per cent., and even higher. At Quebec it has been from 6 to 11 $\frac{1}{2}$ per cent. ; at New Brunswick, from 4 to 12 per cent. ; in Nova Scotia, the exchange on London had been more steady, probably in consequence of British silver being current there. It had ranged during the year from 11 to 14 $\frac{1}{2}$ per cent. I will state what were the rates at each place during two months of last year.

New York in May, 7 $\frac{1}{2}$ per cent., in July, 7 $\frac{1}{2}$ to 8
Quebec. 8 to 9 11
New Brunswick 4 to 7 11
Nova Scotia . . 11 $\frac{1}{2}$ 12 $\frac{1}{2}$ "

—Mr. Carter's Speech.—Upon Colonial Exchange, see also Mr. Chapman's pamphlet, Chap. I., Section 1.

standard of value and a general money of account. In this question the Bank has an obvious interest. The present state of the currency will not only add to the expense and labour of keeping accounts, but, in fact, will curtail the extent of the inter-colonial trade. The expense of the establishment in London will be increased by the necessity of keeping a larger establishment of clerks. No general balance of returns nor profits can be struck until the various accounts from the Branches have been reduced by decimals to one standard. To the Colonies the benefits of a general and uniform currency are obvious, and the supporters of the bank have ever expected that this would be an early object of attention to the directors, and that its introduction would be one of the first benefits the establishment of the bank would confer.

In speaking of the *actual* fluctuations in exchange* it is of primary importance in this argument, that we examine the true causes to which these fluctuations ought to be ascribed. To me it appears that there are *four* elements by which these oscillations in exchange are controlled, and ultimately regulated. *First*, there is the period of time consumed in remittance, and in which the bill is to run after presentment and acceptance, or in other words, the interest accruing for the time in which the parties who purchase and receive the bills are kept out of their money. *Second*, there is the credit or stability of the parties by whom the bill is drawn or payable, or the certainty or risk (lesser or greater as it may be from security) of its being paid. *Third*, the difference of values in the money or coin in which the bill is paid for by the buyer, and received in by the payee. And *Fourth*, supposing the coin or money to be, both where the bill is drawn

* For a very clear and able exposition of the causes which govern the rates of exchange, I refer to Lord Brougham's Lecture upon Currency, being the ninth of the series. After treating upon the intrinsic value of the metals, he says, "It is very easy to see what is the limit to this variation in the price of bills. The motive to the purchase of a bill is the obligation to pay a debt; the motive to the selling of a bill is the desire of obtaining payment of a debt, or of receiving the value of some property from abroad. The merchant, however, on whom it is incumbent to pay a debt in Holland, can pay it without purchasing a bill by importing the metal. To import or export the metal is attended with a certain cost. If he who has a debt to pay in Holland can obtain a bill without paying beyond the cost, he will purchase the bill. If he who has a debt to receive from Holland can sell a bill without allowing beyond this cost, he will sell the bill. This cost, therefore, is the utmost amount of the premium at which a bill will be bought or sold for any length of time."—Glasgow Edition.

and payable, the same, the expense of remitting an equal sum in the precious metals. In explanation, it is clear that a bill drawn at thirty days' sight, if the parties be of equal credit, will and ought to sell at a higher premium than another at ninety days; and a party in purchasing, presuming every thing else to be equal, will pay for the first a higher premium, but no higher than to meet the difference of interest. In the Colonies some bills will command over others upon the same day, drawn at the same sight, but by different parties, a premium of 3 or 4 per cent. This difference is paid on account of the superior credit of the parties to the bill commanding the higher rate: the one class of bills will approximate nearer to the *true* rate or par, the other retreat farther from it. Upon these *two* elements we may remark, that the first is certain,—the second fluctuating, being dependent upon a set of circumstances differing in every particular case. Now as to the *third*, which is the chief and governing cause of the difference in the colonial exchanges upon the mother country, in looking at the history of these exchanges for the last five years, for example, I am prepared to take and vindicate this position, that the fluctuations in the value of bills of exchange have not arisen from any change in the value of the money in which they were payable in England, nor from any change in the *real* value of British sterling money in the colonies, but from the fluctuations in the value of the colonial currencies,—the money in which bills were paid for. During the whole of that period 101½ sovereigns, or £101 10s. in British silver, the 1½ per cent. being demanded by the Government as equivalent to the cost of remitting or exporting the coin, would procure at the different Commissariats in the Colonies a bill of exchange for £100 sterling, drawn at thirty days, upon the Lords of the Treasury in London. In 1832, as in 1838, the bill would command at the Bank of England one hundred sovereigns; and as it is not pretended that there has been any change in their value, it is clear that the rise and fall of premium on bills in the colonies are solely attributable to the varying and fluctuating nature of the money or currency by which these bills were bought. In referring to value, I speak of course of the *real* and intrinsic, not the *nominal* value, for the British gold and silver have fluctuated in price or nominal value in every colony according to the changes in the local currencies. The true rate or par of exchange established by the Government is 1½ per cent. There is a gain to Government of interest upon the money for sixty days, thirty being consumed in

the passage of the bill across the Atlantic, and thirty days the sight at which it is made payable. During that period of sixty days the Government has the command, the holder of the bill is deprived, of the funds of which the bill becomes the token or representative.

I have not alluded to another cause which operates upon the daily rates of exchange, the oscillations between demand and supply, because these would still operate, although the British sterling were introduced.*

* In confirmation of the argument above stated, I take the following extract from the pamphlet of 1740 upon the Colonial Currencies before referred to in page 38. I quote it as a proof that the fluctuation in the local currencies of the colonies, are the chief cause of the rise and fall in the value of bills of exchange. "The repeated large issues of paper money are the cause of the present rise of the price of silver and exchange—that is, of the public bills of currency, depreciating in all the paper money colonies, which do as regularly follow the same as the tides do the phases or course of the moon. When no larger sums are emitted for some time than was cancelled of former emissions, silver and exchange are at a stand; when less is emitted than cancelled (which seldom happens) silver and exchange do fall. This is plain to a kind of demonstration from the instance in the history of our paper money companies in New England.

"After silver had rose, an. 1706, to 8s. per oz. by light pieces of eight, superseding the heavy pieces, it continued at that rate, while paper emissions did not exceed a due proportion to the current silver. An. 1714, we emitted 50,000*l.* upon loan; and an. 1715, in Rhode Island, 50,000*l.*, besides emissions on distinct funds for charges of government. In the autumn, an. 1715, silver became fifteen per cent. advance, above 8s., that is, about 9s. 2*d.* per oz. Massachusetts's Bay, an. 1717, emitted 1,000,000*l.* upon loan, and a very long period; silver rose to 12s. per oz. An. 1721, Massachusetts Bay emitted 50,000*l.*; and Rhode Island, 40,000*l.* upon loan. Silver, an. 1722, became 14s. per oz. From that time a chargeable Indian war required large emissions, and silver rose to 16s. per oz.; it continued at this rate till an. 1728, emissions not being larger than cancellings. An. 1727, Massachusetts's Bay emitted 60,000*l.*, and an. 1728, Rhode Island emitted 40,000*l.* upon loan; silver became 18s. per oz. An. 1731, Rhode Island emitted 60,000*l.* upon loan (N. B. Besides the several loans in the course of this history, all the charges of the former governments were defrayed by paper emissions), and silver became, an. 1732, 21s. per oz. An. 1732, Massachusetts Bay emitted 76,000*l.* upon funds of taxes. Rhode Island 104,000*l.* upon loan and taxes. Connecticut 50,000*l.* upon loan; and an. 1737, silver became 27s. per oz. From an. 1734 to an. 1738, more bills were cancelled than emitted. Exchange fell from 440 to 400 per cent. Advance, an. 1738, Rhode Island emitted 100,000*l.* upon loan; silver rose from 27s. to 29s. per oz."

The value of the pamphlet chiefly consists in the view it presents of the currencies in the different colonies at that early time, and the effect which the

It would be idle to enter into any elaborate argument, by reference to abstract principles, to illustrate the benefit the Colonies would derive from one general standard and money of account. To estimate the evils which are now felt in British North America, let any one imagine that the state of exchange between London, Liverpool, and Edinburgh, stood in the same relative position as the currency in Halifax, St. John, and Quebec,—that every remittance required intricate calculation,—and that sometimes the balances could not be transferred in money, not so much from the want of coin or of funds, as from the conflict in, and loss entailed by, their different nominal values. Would it not inevitably embarrass intercourse, and limit the amount of their transactions? Such has been the effect in the Colonies. Parliament has introduced one coinage, and one general standard of value throughout the United Kingdom. Even in lesser matters this has been respected. An act was passed in 1826 to assimilate the national weights and measures, and to swamp, in the imperial standard, the artificial distinctions which prevailed in the different counties and districts. By the constitution of the United States,* the power was wisely reposed in Congress of regulating the currency. No state legislature can interfere with the standard formed at the Mint in Washington, and, with all the anxiety and jealousy felt by the State legislatures to throw off what some of them call the “dominion, or tyranny, of the General Government,” they have not sought to be relieved from this mark

extensive issue of paper money had produced in raising exchange, and of course in depreciating the value of their local currencies. After presenting a statement of their coins and nominal value, he thus concludes:—

“Thus we see, that particularly in our paper money colonies, the currencies have invariably depreciated from sterling, and from one another; Exchange with Great Britain being, at this time (Feb. 1739),

In New England	450 per cent.
Jersey and Pennsylvania	70 to 75 do.
Maryland	150 do.
North Carolina	1100 to 1300 do.
South Carolina	700 do.

more than sterling.”

* After the conclusion of the war it was provided by the constitution of the United States, that no state should coin money, emit bills of credit, make any thing but gold and silver coin a tender in payment of debts, or pass any law impairing the obligation of contracts; and the power to coin money, and to regulate the value thereof, was vested exclusively in Congress.—*Gilbart, Banking in America*, p. 4. *Judge Story's Commentaries on the Constitution of the United States*.

of constitutional vassalage, because, it is generally believed, that this regulation is a pillar of the State, and essential to the prosperity of their commerce. But the mother country has exerted no such controul over the Colonies. Every colony has been allowed to regulate its own domestic currency. They have acted upon no uniform or consistent plan, and hence the eccentricity of their relations, and "the mazy and entangled web" into which they are now involved. It is high time that Parliament either resumed its authority, or that, by some milder course, the Colonies should be brought back to some general and sound system of exchange.

The expediency of a change being now admitted, the question occurs—to which standard it will be most prudent to turn. Some advise the adoption of the British coin, and sterling, as the money of account; others the dollar of South America, failing to define its weight of pure silver, the accounts to be kept in dollars and cents, or, as at present, in Halifax currency, at 5s. to the dollar; and a third class recommend a Colonial dollar, coined exclusively for the use and benefit of the Colonies themselves. I shall proceed to review the arguments by which each of these three propositions is sought to be upheld.

Let it be first remarked that we need not enter here into the vexed and perplexing question, which has so long divided the brokers and dealers in exchange, as to the expediency and comparative safety of a gold or silver* standard. This belongs to a far more comprehensive inquiry than that in which we are now engaged. The Colonies stand upon an isolated spot in the ocean of commerce, and, in place of influencing any of the broad and general currents of trade or exchange, they lie among the eddies, and must be content with the humbler and subservient sphere of operation their position gives. Whatever standard may be adopted in other

* The proposition debated in former years, that Government should adopt a standard based upon *both* metals, has been long abandoned. It is now admitted that one must be made the measure of value, and regulate the law of tender. A relative proportion may be stated between the two, as is done in England between gold and silver, for the purpose of introducing a smaller denomination of coin, or change for the convenience of trade; but to refer to both indiscriminately as a standard and tender for sums of large amount, would, as is now generally acknowledged, be a violation of those principles which regulate their intrinsic and different values. Government might attempt, with equal wisdom, to introduce a "*standard yard*" of two different measures in length, or an "*imperial gallon*," with one differing from another in its cubical contents.

countries, they must, I fear, yield to a superior authority. It would be presumptuous, even if we had the ability, to blend so vast an inquiry with one of little comparative interest. All I shall attempt is to inquire what existing standard it is best for the Colonies to adopt.

In introducing a money of account, and a standard of value, for the Colonies, by any direct interference of the legislature, or otherwise, two great results ought to be looked for;—*first*, that species of coin which are pure as to intrinsic value, and which will be most easily kept in their domicile of circulation; and, *second*, to adopt that set of figures—that form and mode of numerical calculation—which will be conformable to the greater amount of their foreign transactions. The second, however, is merged in the importance and bearing of the first.

By adopting sterling as the money of account, the accounts of the Colonies will be assimilated to those of the mother country; and as this is by far the largest branch of their external trade, it forms an important, if not a primary, consideration in its favour. By the introduction of it into all the Colonies they would be relieved from the present, rates of exchange and the rapid fluctuation to which they are subject. By the explanation given hereafter, it will be seen that a *permanent standard of exchange* may be established, from which there would seldom be any great variation. In a national and political point of view, this would be of high importance. An intercommunity in accounts and money will form a new bond of connexion between the Colonies and the Parent State; for, with the introduction of sterling as the money of account, it is intended, of course, to introduce the same gold and silver coins which are current in Great Britain. We are to embrace, in short, by one sweeping measure, the same standard coin and money of account which prevails in the mother country, and, so far as these have relation to the connexion, to incorporate the Colonies as new, although distant, counties, added to the Parent State.

By adopting these, the Colonies introduce a fixed and certain standard of value, and a coinage the value and purity of which is secured by the honour and good faith of the British Government. One of the inconveniences of adopting the dollars of the American Republics as the standard is, that they are coins of different intrinsic values and often deteriorated: for mark! the instant we adopt the dollar, all the coinage of the New States of the Southern World will flow into

circulation. By the tables of gold and silver coins issued from the Mint Office on 13th August, 1834, and prepared by desire of the Lords Commissioners of His Majesty's Treasury, it appears that these vary in their weight of pure silver from $379\frac{3}{10}$ grains to $236\frac{3}{10}$ grains.

SILVER COIN—COMPARED WITH THE OLD SPANISH DOLLARS.

			GROSS WEIGHTS.		
			dwts.	grs.	Pure Metal. grs.
Old Spanish Dollar	.	.	17	8	" 370 $\frac{9}{10}$
Central American Dollar*	.	1824	17	8 $\frac{3}{10}$	" 376 $\frac{1}{10}$
Ditto ditto	.	1826	17	8 $\frac{7}{10}$	" 375 $\frac{3}{10}$
Ditto ditto	.	1829	17	7 $\frac{9}{10}$	" 368 $\frac{3}{10}$
Rio Plata Dollar	.	1813	17	5 $\frac{1}{2}$	" 370 $\frac{4}{10}$
Ditto ditto	.	1815	17	2 $\frac{1}{2}$	" 361 $\frac{7}{10}$
Columbia ditto.					
Cundinamarca	.	.	14	14	" 236 $\frac{3}{10}$
Columbia Dollars.					
Bogata †	.	1834 No. 1	17	9 $\frac{1}{2}$	" 379 $\frac{3}{10}$
			2	17	9 " 379 $\frac{7}{10}$
			3	17	9 " 379 $\frac{9}{10}$

Independent of these existing variations, no dependence can be reposed upon the resolutions or acts of a set of governments—the creation of popular movement, and subject to popular controul. The standard might and would change. The dollar of the least intrinsic value would afford the widest scope for speculation. Large quantities might be introduced into the Colonies before the depreciation and fraud were discovered,† and the very evil we are

* The act of Congress of 1791 declared that the dollar of the United States should contain $371\frac{1}{4}$ grains of pure silver, and irrevocably fixed that quantity as the equivalent of a dollar of account, and the permanent standard of value, according to which, all contracts must be performed. The relative value of gold and foreign coin to that standard, may from time to time be varied, provided that neither be over-rated, so as to authorize the payment of a debt with an amount in such coin of a less actual value than that of the silver to which it may be made to correspond.—*Gallatin's Considerations*.

† Upon the history of the precious metals, the comparative productiveness of the mines, and for a review of the statements made by Mr. Jacobs, in his Report, see M'Culloch's Dictionary of Commerce, p. 941.

‡ In proof of this argument, a leading partner in one of the first West India

now anxious to remove of an unsound currency, may thus be confirmed and perpetuated.

Houses in Scotland, informed me that in 1813, while he was in the island of Trinidad, an immense quantity of spurious doubloons were brought from the Spanish main, and attempted to be introduced there into circulation. They had been palmed upon the Spanish planters by traders from the United States. By a miraculous interposition of good fortune, the fraud was early discovered, and they were not introduced to any great extent. They were worth 13, not 16 dollars.

Another merchant, of equal respectability, said, that in 1825 their firm made a large importation of the Spanish putada, or pistoreens, from Gibraltar into Haiti; they came from the coast of Africa. Although worth less than 1s., they passed in Haiti for 1s. 3d., or one-fourth of a dollar, and a profit of 25 per cent. was reaped from the speculation.

Mr. Carter informed me that he saw lately, in the Bank of England, twelve or fourteen spurious dollars. The centre was composed of zinc; this was covered with a thin plate of silver, bearing the impression of the old Spanish dollar of 1799 and 1802. They were received in a large importation, and were discovered by some of the tellers of the bank. In the colonies, thousands might have been circulated before they were discovered. These are the facts which render my objections to the dollar, as a standard, so insurmountable.

In the payment of the troops at Malta the affairs of the Commissariat have lately suffered, I understand, a heavy loss in consequence of having discovered that in a quantity of dollars paid to them, several were much depreciated—the weight of pure silver contained in them being less than their standard weight.

Can any restraint be put, or any safeguard be erected, against a speculation being made by one of the Republics of South America, by issuing coins of an inferior value for the very purpose of making such a profit? In any case of emergency the principal of their public men might easily be seduced into such a transaction; and as there is no board of assay in the Colonies, the spurious coins might be introduced to a large extent before they were detected. By the introduction of the silver and gold coin of Great Britain we are nearly free of such dangers. They cannot be so easily imitated.

To show the depreciation of the American currency, I extract the following passage from Goudge's "Enquiries into the Principles of the American Banking System." "The money unit of the United States is the dollar, consisting of 416 grains of standard silver, or 371½ grains of pure silver, and 43½ grains of alloy. All our contracts are to pay and to receive dollars; all our accounts are kept in them. The dollar is thus both our money of account and contract, and its legal value is fixed by our having a coin of the same name, containing the quantity of pure silver and alloy which has just been mentioned. Gold is, in our law, a subsidiary currency—its value being computed in silver dollars. At the United States mint it is rated as fifteen to one—that is to say, one ounce of gold is worth fifteen ounces of silver, or what is the same thing, as many grains of pure gold as are equal to the number of grains of pure silver contained in a dollar, are coined into an eagle, and a half-eagle, and estimated at the mint as worth 15 dollars. The market rate of gold and silver, as determined by sales of gold and silver

issued from the
y desire of the
ears that these
o 236½ grains.

SPANISH

IGHTS.

Metal. grs.

370⁹/₁₀

376¹/₁₀

375¹/₁₀

368³/₁₀

370⁴/₁₀

361⁷/₁₀

236½

379³/₁₀

379½

379½

dence can
vernments
o popular
ollar of the
eculation.
before the
l we are

ted States
quantity as
of value,
e of gold
provided
t with an
h it may

eness of
Report,

st India

In weighing the expediency of this system, it is not, however, to be overlooked that the money of account will not be assimilated either to the currency of the United States, or of the British West Indies. The Colonial Bank established in London has introduced the dollars and cents as their money of account. Their charter obtained from the Government, compels them to respond their notes in dollars of "*acknowledged weight and fineness*." They have thus obtained the sanction, or rather the authority of the Government to introduce the dollar* as the standard, throughout the whole circle of the British West India Islands. Their notes are issued in dollars—their accounts and books are kept in the same way. The intelligent directors of that bank are persuaded that the dollar is better for their use than the British sovereign. In the language of Mr. M'Queen, the dollar is the "natural standard and coinage of the western world." It flows from all points of the compass, and in the established channels of trade into our tropical dependencies. By the

bullion, in a series of years past, is about eight to one; consequently, if the mint rate corresponded with the market rate, the quantity of pure gold contained in an eagle, and a half-eagle, ought to be estimated at the mint at 15 dollars 80 cents."—*Second edition*, p. 34.

Previous to 1834 the relative value of gold and silver was 15.09 silver to one ounce of gold. Since that period the proportion being altered, sixteen ounces of silver are now equal to one ounce of gold. The English gold coin at 5s. per ounce of standard silver is 15.575 to one ounce of gold.

The following are the rates and values of British coin. By the 56 Geo. III., passed in 1816, the pound weight of silver of the fineness of silver in the coins is 66s., profit on the seignorage, 4s.; the pound weight of gold of the fineness of gold in the coins is 46l. 14s. 6d., no seignorage being charged; this is equal to the mint price for standard gold of 22 carats fine Troy weight. M'Culloch's Dictionary of Commerce, p. 318. See this work for a set of tables upon the coins current in the various mercantile kingdoms of the world.

* I have carefully refrained from extending my inquiries into the currency of our West India Possessions, because in treating upon so intricate and difficult a question, I thought it prudent to confine myself to that sphere where I could correct theory by past experience. I have it upon good authority, that the proposition submitted to the Minister of State for the Colonies, with a view to the introduction of a currency for these Tropical Dependencies, is, that an order in Council should be issued, establishing a dollar, of so many grains of pure silver, as the standard; that is, that so many grains of pure silver should be equivalent to what is to be, for the future, designated as a dollar. In this order of Council, one species of the dollar now current may be adopted; but it is clear, that as they all differ in their contents of pure silver, the standard must be confined to one, and one only. My opinion is, although I express it with great diffidence,

adoption of sterling, we cannot be assimilated to them ; but this is of less consequence, for the amount of our transactions with these dependencies forms but a small item in the general returns of our foreign trade.

If the two considerations above reviewed were alone to controul this argument, the expediency of adopting the sterling would be clear and undeniable ; but we have now to enquire how the coin requisite to sustain it can be obtained ; and if, when introduced, it is more likely to remain in the Colonies than any other.

In the first place, it may be remarked that none of the Colonies enjoy, to any great extent, a natural source or supply of the precious metals. It is true, there are occasional and limited importations of doubloons in return for cargoes of fish both into the Lower Provinces and the Canadas ; but the amounts are small, and no statistical returns exist from which the precise amount can be ascertained. The bankers in the Colonies, although they have adopted every precaution to prevent demands being made upon them for specie, and

that the dollar is the best standard and money of account for these Dependencies. In the introduction of a standard, regard will, of course, be paid to existing debts and contracts. Future debts and transactions will be founded upon the standard introduced, whatever that standard might be. Still the currency so established will be liable to be invaded and deteriorated by the spurious coins flowing from the different mints in South America, and subject to the demand of the United States—and I am forced to the conclusion, that the currency of these Dependencies never will approach the perfection it is possible to reach, until their standard is represented by a dollar, issued from the British Mint, and bearing that stamp which is a guarantee for national integrity and honour.

Jamaica papers to April the 7th have been received. During the sitting of the Assembly there was a committee on the subject of the currency and circulating mediums of the island. The evidence is in progress of publication by those papers. Mr. Nathan Josephs having been asked whether he could suggest any mode by which the difficulties caused by the concurrent circulation of English shillings at twelve to the pound, and Spanish dollars, as required by the Bank Charter, could be remedied, answered, "If the island be prepared to call in their cheques, and to pay the same off in dollars, and will bind itself to pay all its future issues of notes in the same coin, *I see no difficulty in establishing a dollar currency, although it would be attended with considerable sacrifice to the island.* But I cannot think the currency projected will be secure, for, situated as we are, close to the continent of America, where calls for dollars are increasing as fast as they clear the lands, and as our exchange must rate with theirs, it is certain that they will supply their wants from this island, as they will get the dollar at a less cost than sending to England." The subject was calling forth considerable discussion in the island.—*See Times, 9th of May, 1837.*

have refused to give discounts to persons likely to call upon them for gold and silver, complain that their importation has created a heavy deduction from their profits. In Halifax, and in New Brunswick, the expense of importation has never been less than from 3 to 6 per cent. For the past year, the higher rate has been paid in Halifax. The directors may adopt this as one of the postulates of the argument, that the chief quantity of specie required to sustain the credit of their paper, must be obtained from abroad—there being no sufficient supply—it must be imported; and the question is thus compelled upon them, how this can be most effectually and most economically done.

If sterling be adopted, the British gold and silver coin—sovereigns, crowns, and shillings, would flow into the Colonies from two sources:—First, in the sums brought by emigrants. To the Canadas that is considerable:—and secondly, through the Commissariat in the payment of H. M. troops. If the Government would agree to entrust this branch of the public service to the branches of the bank, as has been already done in a Colonial Bank at Montreal, a sufficient supply would thus be obtained; but if not, the bank must import at their own expense. Having to go into the money market of the world, to look for coin, it appears to me, that the British gold and silver can be obtained upon as advantageous, if not better terms, than the dollars of South America. Whether, upon being imported, they are as likely to remain in the country, is the next point of consideration.

One of the evils under which the Colonies now suffer, from the present condition of their currency, and its assimilation to that of the United States, is, that the instant any pressure is felt in America, and a demand arises for the precious metals there, the excitement and disorganization extend to them. They are thus subjected to the worst and most disastrous influence. The fluctuations in the value of the metals there, and especially of the Spanish milled dollars which are current in the Colonies, have mainly arisen, in the past, from the demands of the *China trade*,* and they have been so frequent and extensive that it may be asserted these dollars cannot be retained in the Colonies at all. They scarcely appear in the usual and daily circulation, and in the Lower Provinces are invariably at a premium. The practical effect of the present system is to make the currency

* The dollars hitherto required for this trade have been almost exclusively the old Spanish Pillar dollar, the coinage of which having ceased for some years, they daily become more scarce; and this may be stated as one reason why they command a higher price than patriot dollars.

of the Colonies consist almost exclusively of paper, and in the Lower Provinces little specie is seen in circulation, except the British silver coin, which have received in all the Colonies a fictitious nominal value—in some, by an act of the legislature, and in others by a conventional agreement amongst the merchants. They are kept in circulation as change solely by this arrangement. During the late panic in the states, after the suspension of cash payments in New York,* a body of speculators † came down to the provinces, to obtain the precious metals. The local banks in the Canadas, St. John, New Brunswick, and Halifax, for their own security, and from no internal or even foreign disorganization of colonial trade, were compelled, in June last, to adopt the same principle—to suspend the payment of their notes—and were thus forced, by this pressure from without, to violate one of the known and great principles of a sound currency. The bank of British North America, from the same cause, were restrained from issuing their notes, because they were unwilling to commence operations until they could respond their paper in the precious metals: and the capital paid up, both in England and the Colonies, remained for months inactive, and, of course, not so productive as if employed in its intended and legitimate uses—for the purposes of banking. So long as the Colonies have the same currency as the American states, it is believed they will remain subject to the same unhappy influences. They will be bound to look to the mer-

* The disadvantage under which Canada labours, in the absence of a circulating medium of its own, is obvious, being dependent on a neighbouring power, not only for the specie necessary for the common barter of its commodities, but its exchange subject to be ruled by the commercial rates of that power; and the chief part of its negotiations and remittances effected by means of that channel, through foreign interests. In granting a wholesome coinage, possessing the value which it represents, Her Majesty's Government offer to this colony the means of removing this independence, and with it all the advantage and security of the Government negotiations.—*Com. Gen. Letter to Sir James Kempt, 1st of Oct. 1820, annexed to the Report of the Committee of the House of Assembly.*

† The means adopted by these men were not over-scrupulous. It is certainly not my intention to write any tirade against the national character, or the standard of commercial honesty in the United States—but I refer the reader to Goudge's "History of the Paper Money and Banking," in that hemisphere. There is a chapter (xxii.) devoted to the illustration of its effects upon moral character, and there certainly never was a picture drawn in bolder or darker colours. "The standard of commercial honesty," says he, "can never be raised very high while trade is conducted on the present principles."

cantile thermometer at New York,* to ascertain the probable condition of their atmosphere. By these financial arrangements, they are bound up, in fact, in the commercial fate and destinies of the American Union, and are thus exposed, solely by the similarity of their currency, to the reverses of their trade, and have a far more intimate connexion with their commercial prospects than the friends of the Colonies desire. I am aware it is urged by some, that it is of no consequence, so far as this influence is concerned, whether we adopt the same coin and standard of Great Britain, or the dollar—that, in either case, the pressure or influence of the States will extend to us, and that in regulating the colonial currency, we must expect to yield to their active and controlling power. I am prepared to admit that the Colonies cannot escape, in their transactions with the precious metals, from those oscillations of demand and supply which are periodically occurring, and which extend their effects throughout the commercial world. Our currency would not be safe if not dependent upon this influence; for it would indicate that it wanted intrinsic value, and could not hold an equal position with others in the general market of exchange. All we can aim at, therefore, is to guard, as far as possible, from the influence of foreign demand, and especially from the rapid and eccentric movements and depressions to which the United States, perhaps above all other countries, are subjected. This would be more effectually done by the adoption of British coin than by the dollar. The latter is the current coin of republican America. The feelings and prejudices of the people are in its favour. They prefer it to any other. When they come to the Colonies to sell their produce, they apply for dollars in payment first of all. They take the doubloon and the sovereign only when they fail in procuring the dollar. The British gold and silver are merely articles of trade and speculation. The demand for them is only occasional—not steady and certain, like the demand for the dollar; and as the chief demand for the latter is occasioned by the dealers in produce, who come from the states, to supply the Colonies by retail, it is thought that the introduction of sterling would have the effect of compelling them to seek another

* It has not unfrequently happened that, in the course of two or three months, five or six millions of dollars have been exported from New York alone. The whole volume of the Canadian currency is not probably 3,000,000, including Upper Canada, certainly not 4,000,000; hence in times of great demand, similar to that of 1831, *all*, or nearly *all*, the money of Canada would disappear. — *Chapman, page 44.*

mode of remittance, either by the purchase of colonial produce, or by bills of exchange.

By those who recommend the introduction of the British coin, it is contended, that the demand for the sovereign is neither as active nor likely to be as permanent as the demand for other coin. In the past we know, it has not been so. The *extra* demand for the sovereign which exists now ought not to bear strongly upon this argument. It is attributable to local and peculiar causes—to the conflict raised by General Jackson, relative to the renewal of the charter of the bank of the United States. In Mr. Horsley Palmer's pamphlet we have a full explanation of the causes which produced it. Congress passed a law reducing the quantity of fine gold in the eagle, the equivalent of* 10 dollars, from 246 to 232 grains. This depreciation of the American gold coin had the effect of raising the current value of the English sovereign from 4.44 dollars to $4.87\frac{1}{2}$, or $8\frac{1}{2}$ above its previous current value. To establish a gold currency in conjunction with silver, several of the states were persuaded also to prohibit the circulation of notes of less amount than 5 dollars.

"The hostility evinced towards the bank of the United States, and
 "the refusal to recharter, caused an immediate contraction
 "of the usual accommodation grants at the numerous banks of that
 "establishment, and further entailed upon the favoured states
 "banks the necessity of procuring an additional supply of gold, to
 "enable them to fulfil the conditions under which they received the
 "deposits of Government money. This combination of circumstances
 "having no relation to the ordinary commercial transactions exist-
 "ing between this country and America, materially reduced the rate
 "of exchange with Europe. The President too, in order further to
 "aid his favourite project of increasing the metallic currency through-
 "out the states, directed, in the early part of last year, his agents in
 "Europe to remit in gold to America, the whole of the indemnity
 "money to be received from France and Naples. About the time of
 "that remittance having been made, a loan for a million, or twelve
 "hundred thousand pounds, was negotiated on London, on account

* I have been furnished with the following explanation of this alteration.
 "This was the old proportion of 4s. 6d. to the dollar, at 246 grains of fine gold to ten dollars, the sovereign containing 113,000 grains was equal to 4.69; at the present proportion of 232 grains to ten dollars, the value of the sovereign is elevated to 4.87½ cents, being an increase of 6 per cent.

“ of the United States bank, to facilitate the settlements upon the expiration of the charter. The effect of that loan upon the currency of the country, was further increased by a much larger amount, than usual, of American securities, or states stock, bank and canal stock, &c., having been sent to Europe for sales, and upon which credit had been given by some of the principal houses in England, in expectation of the same sums they were expected to realize, thus throwing an inordinate amount of states paper upon our markets. If all these circumstances be adverted to, together with the very large amount of produce imported from America, the surprise will be, not that some, but that so small a portion of bullion should have been abstracted from England, as that already stated. Since the 1st of September last, the demand has entirely ceased, and, notwithstanding the desire of the American President to retain the bullion acquired from this country, it is not improbable that we may soon see it returned from that quarter of the world.”

I quote this passage to show that the demand arose from a combination of concurring causes not likely to arise again; and, therefore, in considering this question, we must overlook this peculiar crisis altogether, and inquire into those influences and relations which have controlled the past and are likely to regulate the future. The value of the sovereign, having been enhanced as above detailed, will soon descend to its *real* value, comparing it with silver; and, when the currency of the country has returned to its former and just proportions, the prejudice in favour of the dollar will again become transcendent. I proceed upon the presumption that the Government of the United States will not continue, for any length of time, the policy lately adopted, of raising the intrinsic value of the sovereign, when compared with the intrinsic value of silver, above its real value in the market of the world. The legislators of republican America are of too shrewd a school to allow their standard of value and currency to remain in such a condition that foreign speculators can reap a profit at the expense of the sovereign people. The effect of the present system will be to withdraw silver and to introduce gold, at a loss to the country, of the entire excess, in relative values, which has been conferred upon the one over the other.

If these data and reasoning be correct, it is clear that the introduction of a metallic currency, founded upon the British standard, and consisting of the British coin, will be less likely to be withdrawn

from t
were a
the pr
arrang
coin c

The
station
sariat
troop
return
£101
excha
sterli
Colo
trans
coun
Lond
the t
exce
Engl

If
men
no c
mee
dire

the
the
of
sed
18
ce
in
In
th
s
p
r
t

from the Colonies than if either the Republican or American dollar were adopted. The Colonies would thus be partially relieved from the pressure* of the States, and I will now proceed to explain an arrangement by which the exportation to the mother country of the coin could be, in a great degree, if not altogether, prevented.

The Government, having determined, in 1825, to pay the troops stationed in the Colonies in British silver, sent to their Commissariats a large amount of silver coin. They issued these to the troops at their sterling nominal value; and, to prevent their being returned, they published a Treasury Minute, allowing the holder of £101. 10s. of these pieces, to obtain, at the Commissariat, a bill of exchange, upon the Lords of the Treasury in London, for £100 sterling. By this arrangement the coin has been retained in the Colonies—for the premium of $1\frac{1}{2}$ per cent. was less than the cost of transportation. If any person wanted to remit to the mother country, it is clear he would prefer a bill of exchange, payable in London, in Bank of England notes, which are equivalent to gold, to the trouble and risk of exporting silver, where the expenses would exceed the $1\frac{1}{2}$ per cent. The silver, besides, upon being landed in England, is not equal, in real value, to the bill of exchange.

If the Bank would enter into an arrangement with the Government for the payment of Her Majesty's troops, the latter would, no doubt, supply a sufficient quantity of gold and silver coin to meet the demand. They would, of course, agree to pay to the directors in London, by quarterly or annual payments, the annual

* In the Edinburgh Review of July last, there is an article upon the crisis in the American trade which treats at full length upon the causes which led to it—the increase both of imports and exports, and the rapid extension of the system of local banking. After stating a variety of statistics, the author says, "It consequently appears that the increase in the exports of the United States since 1830 has been from about 74 to about 129 millions, or in the ratio of 174 per cent. But we have already seen that, during the same period, the imports had increased 270 per cent.—that is, no less than 96 per cent. more than the exports. In point of fact, during the last year the imports into the United States exceeded the exports by the sum of 61,316,995 dollars, or by about twelve millions; and seeing that the American Customs accounts represent the real values of the imports and exports with very considerable accuracy, this exhibits, perhaps, the most striking proof of over-trading ever given to the world." From the influence and tendency of such a spirit, which necessarily conducts to such violent fluctuations, it is not singular that the colonies should sigh to be relieved.—See also President Van Buren's Inaugural Address to Congress.

sum the troops required. The commission which the Government would probably allow on these transactions would, at least, be equivalent to the expense of exporting the coin. By this arrangement the bank would be relieved from the expense of obtaining specie. If the present currency be continued, it will save 4 to 6 per cent. on the amount of specie required, unless the circle of exchanges which the bank intend to introduce will lessen this charge; but, in any probable event, it will save an outlay of $1\frac{1}{2}$ per cent.

If the offer be accepted I would recommend the bank to adopt the system of drawing bills as above detailed at its branches. It will not only lessen the burden imposed upon them in the supply of the precious metals, but it will prevent a re-exportation of the actual coin from the Colonies to the mother country, and save, in a great degree, the labour and anxiety of their superintending the fluctuations of exchange, and of adopting precautionary measures to guard against any sudden and unexpected run. The state of exchange will be indicated by the demand for bills at the bank, and the equilibrium will in this way be less likely to be disturbed; and, if disturbed, be more easily restored than if the coin were free to be imported or exported according to the fluctuations in exchange with Great Britain. But farther, the equilibrium of value between the gold and silver in the Colonies, and in the mother country, could never be seriously affected; because a bill of exchange, drawn by the branches upon the bank in London, and payable there in notes of the Bank of England, would at all times be equivalent to a payment in gold, and thus represent, in itself, the fluctuations in the value of gold,—it would equally convey to the holder a rise, as it would meet a depression.

Suppose this arrangement were not effected with the Government, and the bank were left to its own resources to obtain specie, whether the British sterling or the dollar be adopted as the standard, specie cannot be landed in the Colonies at a less expense than $1\frac{1}{2}$ or 2 per cent. I have made inquiry of those best conversant with the affairs of the West Indies, and have been informed that the importation of dollars into them, whether from England or the continent of South America, occasions an outlay of $1\frac{1}{2}$ or 2 per cent. in freight, insurance, and the expense of local conveyance.

Whether the Bank of British North America deal in sterling or dollars, every importation into the Colonies would occasion a simi-

lar of
quan
cost
Boar
By a
tions
In
view
dolla
trin
Par
high
bilit
Bec
less
a m
Be
we
for
mo

th
pr
an
C
m
d
i
r

lar outlay. So far as regards the cost of supplying the requisite quantity of coin, I am disposed to think the former would even cost less than dollars; because sovereigns could be procured by the Board in London, and the commission of an agent thus be saved. By adopting it, the bank will be less exposed to a run, and to fluctuations in value.

In treating of the dollar as a separate head, I refer to the views already exhibited. The British gold is preferable to the dollar—1st. Because it is a coin less liable to fluctuations in its intrinsic value. In adopting it we can rely on the good faith of the Parent State.—2nd. Because the cost of obtaining the one is not higher than that of obtaining the other. In the balance of probabilities, the British is likely to be the cheaper of the two.—3rd. Because the British coin would expose the bank and the country less frequently to the danger of a run, and would therefore produce a more equal, and therefore a more valuable currency; and 4th,—Because, by the introduction of sterling as the money of account, we would assimilate the local exchanges to the larger amount of the foreign transactions of the Colonies, and especially to those of the mother country.

But let it be remarked, that if the British sterling be adopted, the same rule of tender must be extended to the Colonies which prevails in the Parent State—gold and not silver—the sovereign, and not the *depreciated crowns and shillings* now afloat in the Colonies, and sent in payment of the loan to Jamaica, must be made the standard of value. I would strenuously oppose the introduction of any coin which did not possess an *intrinsic* value in itself, sufficient to give it currency in the market of the world. We must have a pure and safe standard, if we are to have one at all. Better that we had none, than one fluctuating and unsound.*

Mr. William Hampson Morrison, in his observations upon the

* I have had the good fortune to obtain the following extracts from an able letter upon the Currency of the Colonies, written by a gentleman in the city, of acknowledged talent and information. After explaining the involved state of their currencies, he thus proceeds to suggest a change. I quote his own language and views, although it is to be understood I do not subscribe to the latter:—

"It is no doubt desirable that the change to be made should be to the smallest practicable extent, to avoid enlisting the prejudices of the population against it. The decimal system which has been for many years established by law, for the money of account in the United States, is the most simple and convenient that

system of the metallic currency adopted in this country, refers to a proposal made by Mr. Haggard of coining a British colonial dollar. He recommends that this should be sent to the Colonies in place of our silver coin, which, "being more valuable (says he) at home than

can be devised for that purpose; and yet the old colonial system of reckoning in shillings and pence is continued to the present day, in almost all the minor affairs of life, varying in the different states as it did before the revolution,—so that in New England the dollar still contains 6s., in New York, 8s., in Pennsylvania, 7s. 6d., &c.

"It is proposed by some parties at present, that sterling should be introduced as the money of account, in the North American colonies, and by others, that dollars and cents should be substituted. I have listened attentively to the arguments of both these parties, and have not discovered any sufficient reason for making an alteration in this respect; and believe it will be most politic to allow the Halifax currency to remain the money of account, as it now is in all the colonies. It appears to me to be impossible to detach the monetary affairs of these colonies, in times of peace, from New York, the great money market of America, which must always be the centre of a large portion of the exchange transactions of the colonies. The dollar, which is the monetary unit, and real standard of value in the United States, has always been the nominal standard of value also in the colonies, and seems to be almost universally acknowledged as the *natural* standard of the western hemisphere.

"My FIRST proposition therefore is, that the silver dollar and half-dollar of Spain, South America, and the United States, be legal tender, at the rate of 5s. currency to the dollar.

"SECONDLY, That the French crown and five-franc piece be also legal tender at their exact intrinsic value, in comparison with the dollar. This appears advisable for two reasons; first, in order to conciliate the prejudices of the French inhabitants of Lower Canada, to whom those coins are familiar; and secondly, because they are legalised in like manner in the United States.

"For the protection of creditors they should be empowered to reject such coins if more than a small specified per centage below their full standard weight; and the coins representing the fractional parts of those above named, should not be made a legal tender on account of the great depreciation to which small coins are subject from wear and tear.

"The coins before mentioned to be the *only* legal tender in discharge of debts exceeding 50s., and not exceeding 50l. currency.

"My THIRD proposition is, That in respect of debts exceeding 50l., the debtor should have the option of paying either in the above silver coins, or in the gold coins of England, Portugal, the United States, France, and Spain, by weight, at rates to be fixed, with reference to the ascertained purity of the issues from the mints of the respective countries.

"A strong desire exists in all the North American colonies for a silver coinage of *current* shillings and sixpenny pieces, to pass as small change in their relative proportions to the dollar of one-fifth and one-tenth; and if Her

in the C
no adv
colonie
an intr

Majesty
lation of
fied wou
circulat
should
one tim
country
ing the
colonia

"It
in any
only fo

"A
greatly
consis
sheet
more
coin
excee

My
Spain

and
diffe
a law
whic
accu

fear
the

I
sta
the

th
de
th

o

i

n

in the Colonies, is sure to find its way back to England." I can see no advantage in introducing a new coin solely for the use of our colonies. It would not be valuable as a standard unless it possessed an intrinsic value sufficient to give it currency in the market of the

Majesty's Government should undertake such a coinage for the exclusive circulation of the colonies, the inhabitants would be highly gratified, and I am satisfied would be also much benefitted by it, as the only small silver coins now in circulation are debased to a lamentable degree. The proposed new coinage should be strictly subsidiary, and a legal tender only to the amount of 50s. at one time, and should be of proportionate weight to the similar coins of this country, so as to leave to Her Majesty's mint the same rate of seignorage, making their circulation profitable to the Government as well as beneficial to the colonial community.

"It appears to me that the objections to the circulation of British silver coins, in any shape, in the colonies are insuperable. They are a depreciated coin, fit only for their legitimate purpose—the subsidiary circulation of this country.

"A coinage of copper half-pennies for the special use of the colonies is also greatly desired, to displace the miserable coppers which are now in circulation, consisting of base coin and tokens of all descriptions, and frequently pieces of sheet copper which have never been impressed with any die, and do not weigh more than a fourth to a half of the weight of the English half-penny. Such new coin should be made the only legal tender in copper, and that in sums not exceeding one shilling."

My objections to the scheme above detailed are as follows;—that the dollars of Spain and the United States are so scarce that a sufficient quantity for circulation and tender never could be obtained;—second, that the three dollars referred to, all differ in their contents of pure silver;—third, that it is dangerous to introduce a law of tender, founded upon several classes of coins, and the values of some of which are to depend upon weight and purity—both of which would require to be accurately ascertained before a tender could be made. Under such a system, I fear no tender could be attempted to meet the formalities which the decisions of the Courts required.

I have conversed with several gentlemen who are in favour of the dollar as the standard, as above recommended, and the arguments by which they support their views are reducible into four:—

1. That the dollar is the natural standard of the western world—that it is the standard of the United States—that in monetary concerns, the colonies are dependent upon, and must necessarily be subservient to them, and consequently that it is our interest to assimilate our currency to theirs.

2. That a silver is safer than a gold standard, and the advocates of this opinion attack the policy of the English Government in adopting only one.

3. That if we embrace the sovereign as our standard, while *the present value* is given to it in the United States,—a fictitious, and above its real value, when measured by silver—we introduce a currency which it will be impossible to retain; the States will extract every coin from circulation as it appears; and,

world. If pure, it would flow back to the mothercountry as fast as the sovereign, according to the fluctuations of the market, and the rise in the price of bullion. It would entail a heavy expense upon the Government in providing new dies, and in settling a new rate of alloy at the Mint. If of a different, or of the same standard as that of Great Britain, it would neither assimilate our money to that of the United States, nor of the mother country; and for these reasons, and for the principles I have illustrated in the preceding pages, I am opposed to the introduction of such a currency, and would infinitely prefer the adoption of the sterling and the British coins which are now extant.

The next question we have to consider is, in what way this standard is to be introduced. It may be admitted at the outset that no general measure can be expected from the independent movements of the six different legislatures which now exist in these dependencies. The question of the currency is at all times involved and intricate; and, in smaller communities, the regulations affecting it are much too apt to be controlled by local interests and views of partial or selfish policy. It requires, in fact, an enlarged and comprehensive grasp of mind to embrace the operations and details of such a question—to look to *ulterior* rather than *present* and *immediate* results; and, if to be made a matter of legislation, it can only be effected under the influence of the Ministry or the supreme authority of Parliament. This, being a matter for the regulation of foreign as well as of domestic commerce, comes within the sphere of that constitutional superintendence which is invested in the latter.

It may be effected either by an application to the Government for an act of Parliament to be introduced under the sanction of the Colonial Minister, or by the Directors of the Bank of British North America applying to the Crown for a charter, similar, in one respect, to that obtained by the Colonial Bank. If this charter contained a clause rendering it compulsory on the Bank of British North America to respond their notes at their places of issue in British coins, similar to the clause in the charter of the Colonial

4. That in case of any sudden and unexpected demand for the precious metals, a supply could be more easily obtained from the United States than if we were dependent upon the mother country.

I have reviewed each of these arguments in the progress of the enquiry, and leave the reader to decide upon the merits and soundness of our conflicting opinions.

Bank, wh
in dollars.
it will so
eventually
money of
notes wo
be the
less jeal
system
favour.
might be
requesti
notice.
iding r
duction
some,
be app
author
In a
expedi
stract
Assen
The
and t
of it
howe
upon

Th
coin
if an
pen
31st
ere
intr
or
un
or
cit
or
je
b
a

Bank, which makes it imperative upon them to pay their notes in dollars, the natural influence of the Bank, and the controul it will soon exercise upon the Colonial money-market, would eventually enable the directors to introduce sterling as the money of account. Their accounts would be kept in it. Their notes would be issued in sterling; and this, perhaps, would be the milder and better course to adopt. It would excite less jealousy among the local legislatures. The benefits of the system would appear. It would gradually acquire strength and favour. Before the authority of Parliament was attempted, it might be judicious to test the feeling of the Colonial legislatures by requesting the governors to bring it, by special message, under their notice. A majority, I believe, would voluntarily adopt it. The prevailing minds in some of them are even now favourable to its introduction. If the operation were beneficial, and it were adopted by some, if one or two still remained reluctant, Parliament might be applied to, to carry a general act, and could then exercise its authority with a more becoming and effective grace.

In a work before referred to published by Mr. Chapman, upon the expediency of introducing sterling into the Canadas, he gives an abstract of the evidence submitted to a Committee of the House of Assembly in an enquiry upon the subject.

The opinion of the bankers in Lower Canada seemed then to conflict, and the author himself expresses the opinion that the introduction of it would not promote the interests of the colony. It is fortunate, however, in our review of the question, that he has given the grounds upon which his opinion is founded,—for we are thus enabled to weigh

That the Government possesses the power of controlling the legal value of the coin circulated in the colonies cannot be disputed. By the colonial constitution, if an act be passed by the Legislature, the King in Council has the power of suspending its operation. This power has been frequently exercised, but on the 31st of August, 1836, Lord Glenelg issued a circular to the governors in the different colonies, in which, after referring to the inconvenience felt from the changes introduced in the values of coin, he directs "that you will not permit any act, or ordinance, or proclamation, or regulation, to come into operation in the colony under your government, relating to the local currency and circulating medium, or to the rates at which coin should pass current, or be a legal tender, or to the circulation of Promissory Notes, or other paper, either by the local government, or by any corporate bodies, or individuals, without having first received His Majesty's sanction conveyed to you by the Secretary of State." The issue of coin is, besides, a branch of the Royal prerogative, which exists in the colonies, the same as in the Parent State."—*Chitty on Prerogative*, p. 107.

its value, and to test its soundness. The whole of his reasoning appears to me to be founded upon presumptions and data which I, for one, do not admit to be correct. The main objections he raises against it are, First—That the sellers would be benefitted at the expense of the buyers,—that the prices would not fall to meet the change,—and that the holders of goods would thus be enriched at the expense of the public. But I confess I am at a loss to understand why a superior sagacity should be attributed to the holders over the receivers. Upon what reason is it to be presumed that the buyers, for the protection of their interests, will not, as speedily as others, understand the value of the money they hold, and be as astute in obtaining the full value of it for goods? The whole argument falls to the ground in the very relation* he has given of the contest between the holders and the payers of the pistoreens. The sagacity of each seems, in that case, to have stood upon a par, and to have been

* "Most of my readers," says he, "will recollect of the effects and of the agitation of the measure upon trade. As it became certain it would be carried, in a way to exclude the possibility of compensation for loss, every disposition was evinced, and every effort made, to get rid of the obnoxious coin. Debtors paid their creditors with pistoreens at 1s., knowing they would be worth only 10d. at the rising of morrow's sun. In this they were undoubtedly justified; they had taken the coin at 1s.—the lawful rate, and while it continued a legal tender, were committing no moral wrong, in discharging their debts therewith. One anecdote connected therewith is worth preserving. A grocer of Quebec, illustrious for the extent and success of his dealings, owed a merchant a sum of money. He sent all the pistoreens in his possession to the said merchant in part payment of his debt. The merchant, however, who was from the same side of the Tweed as his debtor, hit upon an expedient to return his countryman the compliment. Sagaciously guessing his former debtor, having the fear of his old acquaintance, the doomed coins, before his eyes, would refuse him credit pending the discussion of the measure, he sent his shopkeeper or cooper, who purchased candles, soap, or some such articles to about the amount, paying for the same in the depreciated pistoreens. While the bill was waiting the governor's assent, some few shopkeepers shut up their shops to avoid the evil above described."—*Thoughts on the Money and Exchange of Lower Canada*, p. 13.

I have not considered it necessary to enter here into any elaborate explanation of the dangers of adopting a currency depreciated in the quantity of pure metal it would contain. That even this expedient would retain them in the country, if an *extra* demand arose in other countries for the precious metals, is an opinion now exploded, both upon the principles of political science and the experience of the mercantile world. A depreciation in the currency would only have a tendency to produce a corresponding elevation of prices, and I quote the following passage from Brougham's "Lectures upon Political Economy" as a summary of the progress of opinion upon the question :—

fairly bal-
ciated as
be adopte
mend ste
we are to
the same

I have
Jamaica
tish sterl
the Hon
it seems
that the
already
followin
which r

"Th

"here,

"that t

"tity

"in va

"tion

"10 p

"land

"anc

"are

"reg

"ter

"of

"of

"

ing

true

by

wh

It

tion

th

tit

p

C

i

fairly balanced. Neither do I admit that the silver coin, depreciated as it is, between its nominal and intrinsic values, should be adopted as the standard of exchange; for I would not recommend sterling to be introduced as the money of account unless we are to adopt the same coins as pass in the mother country, at the same values and under the same restrictions.

I have in my possession another pamphlet which appeared in Jamaica in January last, upon the question of introducing the British sterling there. It is written by Mr. Milner, and addressed to the Hon. Richard Barrett, Speaker of the House of Assembly; and it seems to have been suggested, in consequence of a proposal made, that the British silver should be adopted as the standard. I have already said that I am opposed to this measure, and I extract the following passages from this pamphlet as some of the grounds upon which my opposition rests.

"The idea of a spurious description of coin having been sent out here, is now, I conceive, quite exploded, and every body is aware that the British silver now circulating is part and parcel of the quantity coined for the use of the mother country, and exactly the same in value; but some alarm has occurred in consequence of an assertion having been made that the whole of this coinage is depreciated 10 per cent. It seems an acknowledged fact that the Bank of England refuses to take large quantities of this silver, except at an allowance of 10 per cent.; but I cannot admit this to prove that the coins are issued from the Mint in a greater state of depreciation than is regulated by the Act 56 Geo. III. c. 68, which authorizes the retention of a seignorage of $6\frac{1}{2}$ per cent. The coin is still composed of silver of the standard fineness, which has always been made use of in England since the Conquest, and which is $7\frac{1}{2}$ per cent. less

"Governments have long ceased to alter the value of the currency by diminishing the quantity of metal in the coin. The improvements in knowledge and true morality have put a stop to the practice of violating every existing contract by such measures. History abounds with examples of needy sovereigns, who, when in debt and difficulty, debased the coin in the hope of extricating themselves. It is doubtful whether knavery or ignorance predominated most in those transactions. They defrauded their creditors, it is true, but they thought to do more—they expected to be enabled to purchase more commodities with the same quantity of metal, and in that they were disappointed—for the rise of price was always proportioned to the depreciation of the coin."—P. 63.

See also, upon the subject, W. H. Morrison's pamphlet upon the Metallic Currency adopted in this country, for the regulations adopted by the Government in the issue of coin.

"pure than pure silver, a standard of greater purity than the Spanish
 "and almost all other known silver coins. This depreciation of 10
 "per cent. arises from the variation in the market value of silver, and,
 "of course, when the Bank of England takes in a mercantile trans-
 "action a large quantity of silver, whether British or foreign, this is
 "a point it very properly looks to. Now the Mint regulation, by
 "which sixty-two shillings are given for one pound of standard silver,
 "makes the value of one ounce 5*s.* 2*d.*, but late quotations show the
 "market price of an ounce of standard silver in London to be only
 "5*s.*; and this difference of two-pence per ounce is equal to 3½ per cent.,
 "which per-centage, added to seignorage of 6½ per cent., makes about
 "the 10 per cent. referred to; or, in other words, the pound of stand-
 "ard* silver is coined at the Mint into sixty-six shillings, while its
 "market value is only sixty shillings, so being raised in value 10 per
 "cent. This variation in the value of silver is unavoidable, and might
 "operate to cause either a discount or a premium on the coinage;
 "—it affects the dollars equally as much as the shillings, and causes
 "the price of them to rise or fall."

In looking at the question of the Colonial Currency, we do not
 require to blend it with those wider and graver considerations upon
 which the regulation of that of the United Kingdom of Great Britain
 depends. The various views suggested in Mr. Horsley Palmer's
 pamphlet,—the effect of the increase of Joint Stock Banks,—the
 additional quantity of paper forced by these causes into circulation,
 —the exportation of bullion from England in consequence of the
 speculations in foreign loan securities,—the demands from Ireland
 and from America for the metals upon the London Stock Exchange,
 which have been treated of by him, and which have led to so vexed
 a controversy, are not necessarily involved in this discussion. From
 the direct influences of these causes the Colonies are removed. They
 are not the sphere in which any foreign loan would be attempted.
 There need be no fear of any rapid extension of the number of Joint

* Gold in England is the sole standard of value.—It is established at £3 17*s.* 10½*d.* sterling per ounce of English standard of 22 carats. The Mint is always open to coin it, and no seignorage on the coinage of gold is exacted by the British government. With silver, however, it is different. From out of the sixty-six shillings into which the pound standard is coined, 4*s.* is retained as a seignorage. See "Observations on a Metallic Currency in Lower Canada," pages 7 and 8.

The British Mint proportion of silver to gold is now as 14,583 to 1; that is, one ounce of standard gold bullion is rendered exchangeable for 14,583 ounces of standard silver. *Note to article on Exchange, Ency. Brit. Seventh Edition, vol. 9, part II., page 441.*

Stock Bank
 circles of e
 tic convuls
 great obje
 tionary m
 in the Un

Nor ne
 the dealer
 the establ
 oppositio
 Horsley

"Bankin

"ity of

"lant a

"the va

"be sta

"ment

"They

"of ac

"creat

"Stoc

"atio

This

upon

of p

thes

In

tion

infl

the

nag

—

me

Ri

tic

ne

be

th

U

v

Stock Banks in them. They are, in fact, isolated and independent circles of exchange, not likely to be much disturbed by any domestic convulsions; and when a sound currency is once introduced, the great object in looking to the future is to guard it by those precautionary measures which would counteract the fluctuations in value in the United States.

Nor need we enter here into the question which is now agitating the dealers in exchange as to the propriety of Government allowing the establishment in the Colonies of Joint Stock Banks. The main opposition has come from the friends of the Bank of England. Mr. Horsley Palmer, in his pamphlet, presents the following passage:—
 “Banking is one of the principal means for promoting the prosperity of a nation, and it must consequently always command the vigilant attention of a government anxious to forward the welfare of the various branches of the country. As a general principle it may be stated that Joint Stock Societies are only deserving of encouragement when individual capital and enterprise are found deficient. They are peculiarly applicable to banking business in an early stage of accumulation of property, and before private credit is extensively created. Such was the case in Scotland at the time when Joint Stock Banks began to be established in it. Such was also the situation of America, *such too is now the situation of the Canadas.*”
 This admission from Mr. Palmer affords authority entitled to weight upon the point,—for it shows that theory, as well as the experience of practical men, justify the introduction of such institutions into these colonies.

In this enquiry we are happily free from the other vexed questions, and various schemes now afloat, upon the constitution and influence of the Bank of England. We do not need to touch upon the expediency of simplifying her returns,—of separating the management of her currency from every other branch of her business,—and of uniting this into one committee, over whose deliberation a member of the Government should be placed, as suggested by Mr. Rickards,—or of establishing a National Bank for the sole regulation of issues, by compelling a deposit of coin. These points do not embarrass us here: the introduction of a colonial currency must be controlled by a view of those practical relations which subsist in the Colonies themselves, and between the mother country and the United States; and to enter into those wider enquiries would only unnecessarily embarrass a simple question with perplexing details.

But lastly, whether the British sterling or the dollar be introduced as the standard, it is clear that some rate or standard must be adopted for the regulation of existing debts and contracts. It is not necessary to enter into the question now; it would, in fact, be premature,—for it is obvious the standard must be fixed in every colony upon a different scale, according to the relative nominal values of their coin, and the state of their exchange. The scale must have reference also to the time of its introduction. This enquiry is less a matter of general reasoning than of pure calculation. No general scale can, I fear, be adopted to convey an exact adjustment to every particular case, and that standard must be sought which will meet the majority. If confined to the Province of Nova Scotia, I am prepared to state a scale adapted to its exchange; but I do not think it necessary to treat this point at further length here.

In conclusion, I reduce my project to the following simple propositions :—

First.—That all the provinces of British North America should have one uniform currency and money of account.

Second.—That the money of account should be British sterling, and that the *metallic* currency should consist of the same gold and silver coins which circulate in the United Kingdom. That the sovereign, as issued from the Mint, should be the standard of value, and be a legal tender in payment of debts, and that the British silver should be a tender, as in the United Kingdom, to the extent only of forty shillings.

Third.—That all the foreign coins now current in the Colonies,—joes, moidores, doubloons, dollars, &c., &c.,—should be allowed to circulate as other articles of merchandise; but that the Government, when the scheme is introduced, should publish a table, setting out the *real* weights, the contents of pure gold or silver each of these coins contain, and their intrinsic values contrasted with the value of the sovereign or of pure silver, at a certain fixed rate per ounce or dw't. This would form a basis for calculation, by which their values, fluctuating as they have done, and will continue to do, in the market of the world, may be ascertained at the present or any future period.

And *Fourth.*—A copper currency, the same as current in the mother country, to replace the spurious copper pence and tokens now circulating in the Colonies.

BAN
don Offi
don—H
Bart.; F
mins, E
Jun., F
George
Banker
and S.
The
Three-
was re
has be
Est
—The
Georg
Canad
Esq.;
Man
—Jar
Pemb
St.
D.
Wil
Scot
Jam
Ma
cal
Es
W
th
L
cu
c
n
I

APPENDIX I.

BANK OF BRITISH NORTH AMERICA, *established in 1836*; London Office, 7, St. Helen's Place, Bishopsgate. *Court of Directors in London*—Henry Barnwall, Esq.; Robert Brown, Esq.; Sir Robert Campbell, Bart.; Robert Carter, Esq.; William R. Chapman, Esq.; James John Cummins, Esq.; James Dowie, Esq.; Oliver Farrer, Esq.; Alex. Gillespie, Jun., Esq.; Sir A. Pellet Green, R. N.; William Pemberton, Esq.; George R. Robinson, Esq. Secretary—George De Bosco Attwood, Esq. Bankers—Messrs. Glyn, Hallifax, Mills, and Co. Solicitors—Messrs. I. and S. Pearce, Phillips, and Bolger.

The capital of the bank is one million, in 200,000 shares at £50 each. Three-fourths were subscribed for in England—one-fourth of the capital was returned for the Colonies; of the stock, 20 per cent. or £400,000 has been called for and actually paid in.

Establishments in the Colonies—*At Toronto, Upper Canada.* Local Directors—The Hon. George Crookshank; Thomas Messer Jones, Esq.; The Hon. George Monro, Esq. Manager—Benjamin Smith. *At Montreal, Lower Canada.* Local Directors—William Cunningham, Esq.; Austin Cuvillier, Esq.; Albert Furniss, Esq.; Robert Gillespie, Jun., Esq.; James Miller, Esq. Manager—Charles Scott. *At Quebec, Lower Canada.* Local Directors—James Dean, Esq.; J. M. Fraser, Esq.; Pierre Pelletier, Esq.; George Pemberton, Esq.; William Phillips, Esq. Manager—Thomas Paton. *At St. John, New Brunswick.* Local Directors—James Kirk, Esq.; E. D. Ratchford, Esq.; John Robertson, Esq.; W. H. Street, Esq.; William Walker, Esq. Manager—Robert H. Liston. *At Halifax, Nova Scotia.* Local Directors—The Hon. Samuel Cunard; W. A. Black, Esq.; James M'Nab, Esq.; Alexander Stewart, Esq.; John L. Starr, Esq., Manager—Stephen Newton Binney. *At St. John's, Newfoundland.* Local Directors—The Hon. J. B. Bland; Robert Job, Esq.; Benjamin Scott, Esq. Manager—Andrew Milroy. Agents at New York—Messrs. Prime, Ward, and King.

Letters of Credit upon the several Establishments in the Colonies, and upon the agents at New York, are granted upon payment of the amount at the London Office; and will be paid on presentation, together with the full current premium of exchange, without any charge. Parties in the country may obtain such letters of credit, in course of post, by forwarding a bank order for the amount, free of postage, to the Secretary, at the London Office. Similar letters of credit upon the Colonial Establishments of this Bank, and upon its Agents at New York, are granted at all the branches of the Provincial Bank of Ireland, and of the Manchester District Banking Company.

COLONIAL BANK.

OFFICE, 13, BISHOPSGATE STREET.

JOHN IRVING, Esq., M. P. Chairman.

ANDREW COLVILLE, Esq., Deputy Chairman.

DIRECTORS.

DAVID BARCLAY, Esq.

JAMES CAVAN, Esq.

J. ALEXANDER HANKEY, Esq.

WM. T. HIBBERT, Esq.

C. M'GAREL, Esq.

THOS. MASTERMAN, Esq.

C. MARRYAT, Esq.

A. G. ROBERTS, Esq.

T. G. HOARE, Esq.

JOHN IRVING, Jun. Esq.,

WM. DAVIDSON, Esq.

ALEX. STEWART, Esq.

P. M. STEWART, Esq.

AUDITORS.

SAM. GURNEY, Esq.

HENRY BRUCE, Esq.

LIEUT. COL. MOODY, R. E.